The China Weekly REVIEW

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In the Fields of Finance and Reconstruction

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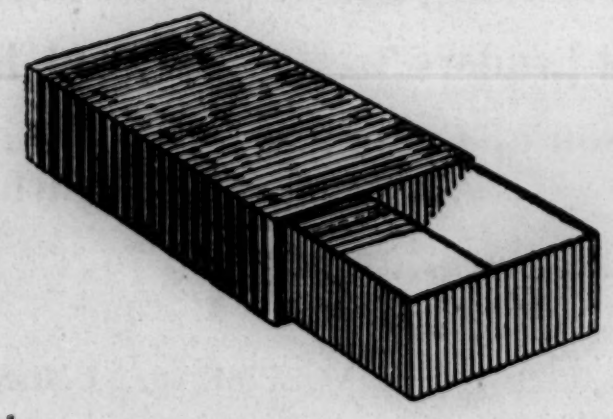

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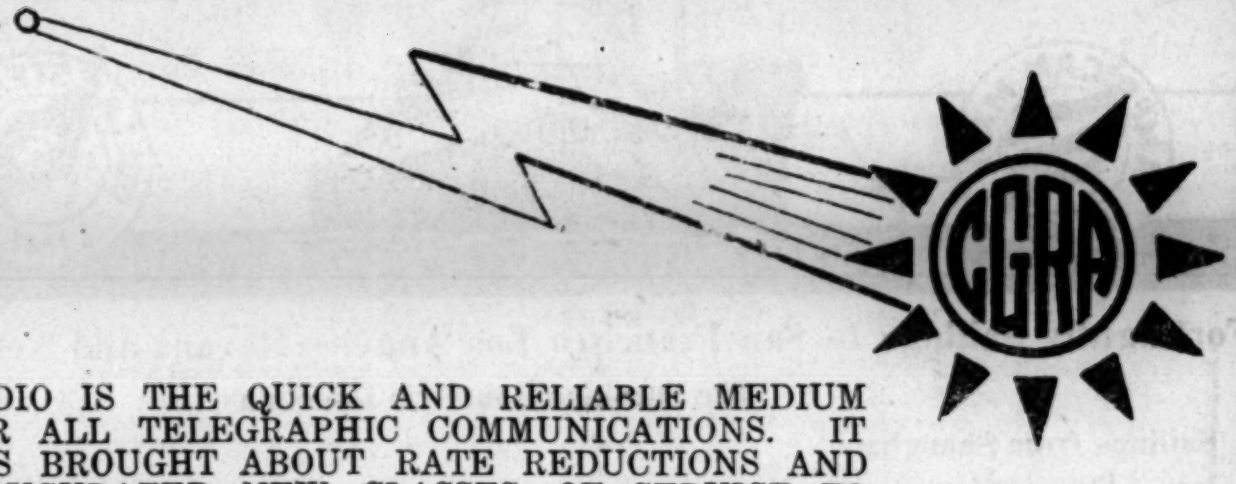

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

GERMANY "CALLS" THE REST OF THE WORLD

WHATEVER opinion the rest of the world may have concerning the recent declaration by the German Chancellor, Dr. Bruening, that a continuation of political payments by Germany is impossible, it is undoubtedly a fact that Germany is "calling" the rest of the world on a subject dear to its heart in the same way that Japan recently "called" the rest of the world on a subject dear to its heart—in that case, Manchuria. Taking advantage of the fact that the whole world, including his own country, is facing financial and economic difficulties of a character never before experienced in the world's history, and cleverly playing on the fears of the "house of have" that if they do not ease up a little in their demands for their pound of flesh, Dr. Bruening has plainly thrown down the gauntlet and said that Germany cannot—at least, does not intend to—continue to bear a burden for the benefit (if it were a benefit) for the rest of the world. As was to be expected Dr. Bruening's declaration has caused a sensation in Paris. French opinion was doubtless reflected in a statement by M. Flandin who commented that Dr. Bruening's attitude means that the German government wishes to end the Young Plan and the Treaty of Versailles. It is probably correct to say that Germany does not really intend to avoid all payments, but is once more trying to secure better conditions—in other words is bargaining. The principal objection among the nations of the world to easing up on Germany comes naturally, from France, whose interests, it is true, are the most affected. However, world opinion outside of France is gradually coming to to the point of view that there is little to be gained for world peace by continuing to trample Germany under foot merely in order to raise up another military menace to world peace, namely France. It is becoming clearer every day that Japan would never have dared to go ahead as she has done in Manchuria except for assurances from some powerful quarter that in the last resort she would have support, and there is every external evidence to indicate that France has privately given Japan assurances that she could go as far as she liked in Manchuria, and France would never raise a hand against the Nipponese in their Manchurian adventure. France's hand was shown in the case of the recent American protest. The first an-

nouncement had it that America, France and England were working together in giving Japan a warning. Later it was said that France and England had dissociated themselves from the American warning. Later again England on her own account reiterated her stand for the Open Door in Manchuria. But not a word from France. Every nail driven into the Chinese coffin by the Japanese in the north only whets the appetite of the French to drive similar nails in the south. French suppression of individual liberty in French Indo-China during the past year has at times reached atrocious proportions, and there is an undercurrent of hatred of the French in Indo-China much stronger even than that shown by the Chinese against the Japanese. France is a country where Liberty is adequately worshipped within the home domain, but no people in the world are more cruel in their treatment of alien protegees than are the French. French control of the possessions to the south of China is maintained by terroristic methods of a character which the rest of the world little realizes. The reader may ask: What has all this to do with German payments? The answer is: A considerable portion of the money drawn from Germany is used to oppress people in another part of the world on a scale which neither Germany nor any other country has been guilty of in modern history.

THE STRUGGLE IN INDIA—THE ECONOMIC PHASE

THE contest between the British Government and India, although it is punctuated with an occasional riot or police charge, has resolved itself mostly, for the moment, into an economic and financial contest. The Government is doing its utmost to prevent the All India Congress and the various other Indian patriotic societies from securing funds to carry on their activities. On the other hand, the Indian merchants and public generally are boycotting everything British to the best of their ability. The Cotton Brokers Association at Bombay January 11 decided to join the Indian disobedience movement with a full boycott program. The Association is urging its members to adopt and promote the use of pure homespun and native manufactured articles and to avoid foreign goods, until countries opposed to India's aspirations are made to realize that Gandhi's arrest is "an insult to the whole of India." This boycott on the part of Bombay's cotton-brokers foreshadows a paralysis of 75 per cent of all wholesale business in that city—also a virtual suspension of activity on all exchanges. Although the cotton, bullion and other markets in Bombay are nominally now open, no business is being done. The next move contemplated by the Indian merchants is to close all Bombay exchanges indefinitely except for one day each week in order to allow for the adjustment of outstanding commitments. In the meantime, the governor of Bombay, Sir Frederick Sykes, has made a strong appeal for co-operation to over 100 prominent Indian industrialists. He said, "We are determined to maintain the law, order and respect for authority that is so vital to your own interests. We are looking to you for support in this. In return, we assure you of our ready help for the promoting of permanent industrial and commercial interests in the presidency, and protection against attempts to interfere or molest those who are carrying on these activities." Gandhi, meanwhile is a model prisoner at Poona. His main (apparent) concern is that his supply of goat's milk shall be pure, so he has asked (and been granted) the privilege of seeing the goats being milked in his own cell.

Nanking Presents a Strange Spectacle—The Appeal to Chiang

NOT in a spirit of criticism, but rather with feelings of sorrow, *The Review* feels it incumbent to point out the strange spectacle presented by the newly installed government at Nanking. After many months of agitation and denunciation of the Chiang Kai-shek regime, the southern faction has been successful in gaining the reins of control at Nanking, although the two leading spirits of the southern movement, Mr. Wang Ching-wei and Mr. Hu Han-min, have carefully avoided proceeding to Nanking—both of them declining to do so on the score of illness. In the meantime it has devolved upon Mr. Sun Fo, the son of the beloved founder of the Republic, in his capacity as President of the Executive Yuan, to try to weave a fabric of unity out of the tangled threads of intrigue that he has at his disposal. The task seems to be an almost hopeless one. With a treasury more depleted than ever, with military chieftains, both north and south, pushing forward their intrigues in a way that they would not have dared to several months earlier, Mr. Sun Fo now finds himself in the unenviable position of importuning for the assistance of some of the leaders of the former Nanking regime, notably General Chiang Kai-shek, in a desperate endeavor to present to the world the semblance, at least, of a united China. However, General Chiang seems to be in no hurry to come back. Ex-President Chiang has a historical Chinese precedent before him, namely that of Yuan Shih-kai. No matter how much of a traitor to his country he later proved himself to be, Yuan did yeoman service to China in his earlier years, and had he not been humiliated by the Empress Dowager, the Revolution of 1911 would probably have turned out quite differently than it did. The matter is historical, but on the assumption that many readers of *The Review* are not acquainted with that phase of pre-Revolutionary Chinese history a short resume is presented here. Yuan Shih-kai was one of the founders of China's modern army, and there has never been a better military instructor in any period of China's history. When the Boxer trouble broke out he was in charge in Shantung and he had the sense to see that the massacre of foreigners which was permitted in other parts of China would react on his country, and he sternly set his face against violence on the part

of his provincial subjects. In the following years he rose high in the service and esteem of the Manchu Throne, or rather of the Empress Dowager, but a year or so before the Revolution he got into the bad graces of that iracsible old lady and she had a mandate issued from the Throne permitting Yuan to retire to his ancestral home to "nurse his sore foot." Yuan went, but the day of his revenge came. When the Revolution broke in 1911, frantic appeals were sent from Peiping to Yuan to return, but he sarcastically replied that his foot had not yet healed. However, a month or so later his foot seemed to have got better and the task of suppressing the Revolution was placed in Yuan's hands, he being placed at the head of the Northern Army, and a very efficient body it was. But, although Yuan's foot may have healed, the wound in his heart had not, and Yuan instead of making any real attempts to crush the Revolution only made a few gestures now and then, so that the Revolutionists did pretty much as they pleased. Now, in drawing this analogy between Chiang and Yuan it is not intended to insinuate that Chiang has any ulterior motives such as Yuan undoubtedly had, but merely to point out the similarlity in the situation as regards the urgent requests for him to return to duty made by people who previously had tried to disgrace him. Yuan was wise enough not to accede to the request for his return too precipitately, and Chiang is adopting the same precautions.

Mr. Sun Fo, and most of the other functionaries of the Nanking government, spent the greater part of their time during the past week in Shanghai. It was at first announced that Mr. Sun would personally proceed to Fenghua, the Chekiang ancestral home of General Chiang Kai-shek, to plead with the latter to return to Nanking, to assist in restoring a semblance of order out of the chaos, mostly financial, which reigns in the National Capital. A later decision was, however, come to that Mr. Sun would not personally proceed to Fenghua to plead with General Chiang, the telegrams announcing that his (Sun's) time was too valuable and his services were too urgently required in Shanghai and in Nanking in view of the country's precarious situation, for him to spare the time to proceed to Fenghua. Instead, Mr. Sun sent two emissaries, General Ho Ying-ching, Minister of War, and Mr. Chang Chi, president of the Legislative Yuan, who proceeded to Fenghua and conferred with General Chiang there on the morning of January 12. The conference lasted more than two hours, and this was followed by a sight-seeing trip to Snow-Cap mountain. At these conferences Chiang was urged to return to Nanking at an early date, but reports indicate that Chiang received these entreaties with a grim face and in silence. General Ho at last reports was still at Fenghua trying to induce General Chiang to emerge from his seclusion.

In the meantime also another important conference is being held at Fenghua, namely between Mr. T. V. Soong, who so ably conducted the finances of the country under trying difficulties while holding the office of Minister of Finance and also as head of the Central Bank, and General Chiang. No reports are available as to what their conversations were about, but these can easily be inferred. The crux of the situation at Nanking during the past few years has been Finance—a fact that was again and again made clear by Mr. Soong in interviews and official pronouncements. Mr. Soong had consistently fought against government extravagance, had insisted on budget control, and generally contended for sound financial procedure. But if it is true to say that the key to the situation at Nanking under the former regime was Finance, it is ten times more correct to say that it is so under the new regime. The southern faction, which was so sure of itself and so insistent that the old regime should vacate, so as to give "new blood" and higher ideals a chance, has been in office now only a few weeks, and it has found itself up against, not a theory, but the plain, hard fact that, its government is on the brink of bankruptcy, with its outgoings three times its income, and with no immediate prospect of being able, without the help of the people whom its supporters so furiously opposed, to improve its financial situation. It is probably true that several provinces, out of loyalty to the old regime, are purposely boycotting Nanking, and instead of sending revenue to the National government, are quietly appropriating it for their own purposes. The desperate finanical situation of the new Government at Nanking was made clear in a statement made by Mr. Sun Fo at Shanghai January 12. He admitted that whereas the monthly revenues of the present Nanking government amounts to only six million dollars, the expenses amount to twenty-two millions. An appeal was made to the nation by Mr, Sun Fo, from his temporary headquarters in Shanghai, preparatory to his returning to Nanking to face the situation as best he might, to all Chinese public, civil and military officials for wholehearted support of the Government in view of the present national crisis. This appeal to the nation has already received at least partial support from local bankers and others. In a declaration received in Shanghai during the week the Kwangtung generals, headed by Gen. Chen Chi-tang, Gen. Li Tsung-jen and several others, have placed their forces at the command of the Nanking Government, and it is reported that negotiations are being continued for the return to the Government of the annexed customs and other national revenues. However the Government leaders pin their hopes for the future on the early return of Gen. Chiang and Messrs. Wang and Hu to the capital. Strenuous efforts are being made to persuade the "big three" to assume their posts.

An emergency meeting, which was held in Mr. Sun Fo's headquarters in Shanghai January 12 was attended by Marshal Feng Yu-hsiang, Mr. Eugene Chen, Generals Wu Te-chen, Chen Ming-shu, Li Chi-sen, Chu Pei-teh, Messrs. Sun Fo, Li Wen-fan, Yeh Kung-cho, Tsou Lu, Dr. Huang Han-liang, Mr. Yu Yu-jen and several others. After hours of deliberations, during which various problems relating to financial and foreign affairs were discussed, it was definitely decided that the Government officials would return to Nanking and that a special Central Political Commission would be created.

It was also agreed that the Commission should consist of Marshal Feng Yu-hsiang, Mr. Yu Yu-jen, Mr. Eugene Chen, General Li Tsung-jen, Mr. Sun Fo, Generals Ho Ying-chin, Chu Pei-teh, Chen Ming-shu and Li Chi-sen. It is planned that this special commission should be attached to the Central Political Council. Mr. Sun, in the course of his statement, said, "The national crisis, which is increasing day by day, is indeed of the most alarming and critical nature since the establishment of the Republic. It cannot be saved without the concentration of the nation's intelligence and wisdom. Being an old Kuomintang member, and in view of the acute situation, I will carry on under any circumstances."

And yet, despite all this, there is a growing opinion among well-informed Chinese circles that the present Nanking government has but a short lease of life before it. Already on January 13 Finance Minister Huang and Vice Minister Ling resigned their posts, and other resignations are pending.

The American Note on Manchuria—An Interpretation

SECRETARY of State Stimson on January 7 sent a Note to the Governments of Japan and China invoking the Kellogg-Briand multilaterial treaty outlawing war. The principal point in the Note is that notice is given both to Japan and to China that America will not recognize any agreement made between them which will impair any of America's treaty rights in China. The situation is that Japan at the moment has China on the hip, and although China has so far consistently maintained that she will not enter into direct negotiations with Japan on the Manchurian question there is little doubt but that in the end China will be compelled to do so. The disunion among China's leaders was well illustrated by the matter of Chinchow. Dr. Alfred Sze, China's representative at the League, reiterated again and again that China would never withdraw from Chinchow but would fight to the last. Later, the temporary Minister for Foreign Affairs, Dr. Wellington Koo, was found to be favorable to a proposition of declaring the Chinchow area a neutral zone. Nothing came of this, but in the meantime Japanese planes kept on intimidating the Chinchowese by dropping bombs. In the end there was to be witnessed the serio-comic spectacle of Nanking ordering Marshal Chang Hsueh-liang to defend Chinchow at all costs, although most of his troops had already been withdrawn, Marshal Chang countering to Nanking that his appeals for funds and assistance had fallen on deaf ears. So in the end the Japanese occupied Chinchow without any resistance. In like manner the Japanese doubtless count upon, and with a fair measure of probability, that in the end they will be able to induce the Chinese, outwardly at least, to agree that "Codlin's your Friend, not Short." In other words what the Japanese will try to accomplish is this: They will try to cajole, intimidate or force—no matter which so long as they gain their object—the Chinese into an agreement which will put China on record as saying that she agrees to Japan having certain special advantages, to be gained at the expense of America, and several other Western nations. The particular advantages which Japan is trying to get pertain, naturally, to Manchuria, but the Japanese have at various times tried their utmost to secure special Customs duties treatment in line with, and in perpetuation of, arrangements which were previously in force in shipments across the Korean border. Even now the Japanese hold on Dairen constitutes a pronounced handicap on the development of non-Japanese trade in Manchuria, regardless of whether Japan's foot is trampling upon the rest of Manchuria or not. With Dairen in Japanese hands a great proportion of shipments of American, and other, goods which land in Shanghai, and are later shipped to Manchuria, have to pay duty twice—a state of affairs which is not only aggravating but a distinct hindrance to legitimate commercial operations.

There is nothing sensational about the Note which America has sent—both to Japan and China. Neither Japan nor China sees in it any immediate threat that America intends to send a string of battleships over here to see to it that (for example) the British-American Tobacco Co. is not "squeezed" by the new regime in Manchuria, or to take any other drastic action at the moment, either in the way of boycotting Japan, or refusing to lend Japan money or anything of that sort. The Note simply is once more the enunciation of a principle which America has consistently enunciated, namely that America has by treaty gained certain rights in this part of the world and it does not propose to have them trampled under foot by any agreement that Japan may force on China, or that might be entered into voluntarily between any other nations. An example of America's attitude is to be seen as regards the status of Harbin. In the days of Tsardom Russia forced upon China an arrangement for the establishment of a so-called international settlement at Harbin, but actually under the control of the Chinese Eastern Railway. Every country except America was eventually cajoled into agreeing to the establishing of the Harbin Municipality. America, however, stood out to the last, and not only were American citizens or firms in Harbin not compelled to pay any taxes to the Russian-controlled municipality of Harbin, *but they were absolutely forbidden to pay such taxes on pain of having their registration at the American Consulate in Harbin cancelled.*

That was America's answer to an agreement made contrary to American policy. America did not allow expediency to take precedence over principle in the matter of Harbin, and its wisdom, viewed from purely practical grounds, was justified when the Russian debacle came and China took over its sovereign rights in this former Russian-controlled city. America had consistently

stood aloof and was not faced with the problem as were the other nations, of unscrambling itself from the resulting mess. America likewise in the present instance is standing out for a principle. Temporarily it may suffer its interests or the interests of its citizens, to be trod under foot, but in the end Japan will undoubtedly be told where to get off. Secretary Stimson's note is by no means the "damp squib" which one of the British writers termed it. Imperial Germany used to think that way about President Wilson's Notes also, but it learned better later on.

THE AMBITIOUS PLANS OF THE JAPANESE MILITARISTS

The following excellent summary of the political situation in Japan, particularly as regards the struggle between the civil and military arms of the Government, to control the destinies of the nation, was contained in a dispatch from Tokyo by the United Press correspondent, January 12.

A bitter struggle between those elements in Japan in favor of a civilian parliamentary government and the elements represented by the leaders of the army and their sympathizers is in prospect in Japan. The military leaders are determined not to surrender the dominant position in national affairs they have gained as a result of the conflict in Manchuria and civilian leaders, prominent among whom are Baron K. Shidehara former Foreign Minister, and others for the moment are in eclipse. Public opinion in Japan, on the whole, has tended to support the army throughout the Manchurian conflict, but the civilian elements hope that opinion will change as patriotic ardor aroused by the military victories dies and the people of the Empire as a whole begin to realize that militarism will mean isolation in world affairs and suspicion of Japan's motives in the chancelleries of Europe and America.

The struggle between the theories of a representative, popular Government, to which the military would be subservient, and of the paramount right of the militarists in times of emergency, is an old one in Japan, and will continue for years to come. It is no secret that the military felt it was losing its ancient prestige before the Manchurian conflict started in mid-September, last, and that this was one of the reasons the army acted with such vigor and at times in defiance of the wishes of the Government. The Army now feels its dominant position, which dated from feudal times, has been regained and that it must retain the fruits of its victory in internal affairs. One of the steps the army plans, it is indicated, is to gain almost complete control of Manchurian affairs. This would be done through the creation of a new administrative body—which in reality is envisaged as a sort of super-Government for Manchuria—of which a Japanese military leader would be the Chairman, or executive head. Plans for this Japanese administration in Manchuria already have been largely worked out, it is understood, and include a sort of consolidation of the existing Japanese organs, such as the South Manchuria Railway, the Kwantung Leased Territory Government, etc. The name of General Jiro Minami, former minister of war, still is mentioned as the army's choice for the chairmanship of the Japanese Manchuria regime. General Minami is known to have strong ideas on the subject and to believe that the Japanese organs of authority must be consolidated. A part of the plan, according to reports, is to make the South Manchuria Railway Company—now a semi-private concern—into a purely state institution, so that its administration and program will be purely under military control. To do this, of course, the Government would have to buy up or otherwise obtain the shares in the railway company now privately held, but this, according to the military, could easily be arranged by a bond issue.

The military program takes a purely realistic view of Japan's position in Manchuria and seems to ignore such questions as foreign opinion and the parliamentary theory of determining national policy. The military argue that the old system, under which problems between Japanese and Chinese in Manchuria were handled by the Foreign Office, was proved a failure by the very incidents which led up to the Sino-Japanese conflict. The system failed, the army alleges, because the consular officers were not prepared to back up their requests with force. This the army could and would do and plans could be carried out rapidly and without resistance from the Chinese. The army program would, of course, include completion of the strategic railways—such as the Kirin-Kainei line—which the Tokyo general staff has long desired, and would envisage linking all the Chinese owned railways to the South Manchuria system so that the S.M.R. organization could function throughout Manchuria as a solidified unit. The general idea would be to centralize control of all Manchurian affairs in the army's hands on the argument that a strong central administration would make for rapid development of the country and general prosperity.

Japan's Defiant Attitude Once More Defined

Tokyo, Jan. 8.—"America may consider that the action of the Japanese military authorities in Manchuria violated the administrative integrity of China, but the fact is that Nanking has never exercised administrative authority in Manchuria, except nominally."

These words were spoken by an official spokesman of the Government, commenting to-day on the American Note invoking the Nine-Power Treaty. This Note has now been received by the Japanese Government, but no communication has yet been received from any other Power.

The spokesman drew attention to the similarity of the wording of the present Note to that which the United States presented to Japan at the time of the agreement between China and Japan in 1915.

He asserted that it would be impossible for Japan to modify her action in Manchuria, as she had taken the minimum amount necessary to preserve her legitimate rights and interests. Japan, he added, had no intention of seeking more than she was entitled to under existing treaties and, for this reason, she could only reiterate her strict adherence to the policy of the "open door" and of equal opportunity.

In conclusion, the spokesman declared that Japan had no intention of retaining territory which circumstances had compelled her to occupy temporarily.—*Reuter.*

Japan's Plans in Manchuria

Industrial circles in Japan who have been watching the development in Manchuria and Mongolia are now hopeful and ready to start activity there. The Mitsui Bussan Kaisha and the Mitsubishi Shoji Kaisha lead in this enthusiasm. The Yokohama Specie Bank some time ago commissioned Mr. Midutsu, a director, to investigate the economic situation there, and on his report, has now decided to take a positive policy in trade finance through its branch offices in Dairen, Mukden and Harbin. Another active banker is the Bank of Chosen, which has now started to assist banking reorganisation in Mukden, Harbin and Tsitsihar. Mr. Shikibe, a director, has been appointed economic advisor to the Three Eastern Province. The Bank of Chosen is to guide Manchuria in the establishment of a currency system. Official banks in Mukden and elsewhere will also be coached so as to secure a conversion reserve system.

Colonel Itagaki, the senior staff officer of the Japanese Garrison in Kwantung, who left Mukden recently on telegraphic summons from the Army General Staff, arrived at Tokyo January 7. It is expected that the new Manchuria and Mongolia policy of the Japanese military authorities will soon be formulated.

Colonel Itagaki in an interview expressed satisfaction at the rapid progress which the work of establishing a new independent State in Manchuria and Mongolia is making, thanks to the elimination of the base of intrigue at Chinchow. It is difficult to predict the exact form of the new State, the Colonel said, but for the moment the monarchical theory seems to be dominant. It is not Japan's concern who shall be the new Ruler. In all probability, however, the "Boy" Emperor will be enthroned again. As for Japan, she is indifferent to the form of government, so long as the new State is stable. In any case, it will not be long before a sound new State will be set up. Chinese leaders in the four North Eastern provinces will come together shortly to discuss the matter.

The Japanese expedition against banditry has been carried on effectually of late, and it is to be hoped that the whole of Manchuria will be entirely cleared of bandits in a few months, the Colonel further said. Until the work of clearing up bandits is finished, troops will have to be stationed there. It was simply for the execution of this clean-up campaign, and for no other purpose, that Japanese troops were advanced westward beyond Chinchow and the occupation of Lienshan and district was effected. He added that he did not think this would provoke any adverse criticism among the Powers.

Japanese Emigration

The restoration of peace and order in Manchuria and Mongolia, the Colonel hopes, will considerably increase Japanese emigration there. In a year or two, Japanese residents should be doubled or more than doubled to 400,000 or 500,000. One cause of concern is that many Japanese with no fixed aims may settle there. He pointed out that the more Japanese of that description go there, the more will the development of new Manchuria and Mongolia be impeded. The Colonel expressed gratitude to the Japanese Press, which has been unanimous in supporting and encouraging the military and Government authorities in connection with the present Manchurian affair.

S.M.R. Ready with Yen 100,000,000

As quoted by the *Mainichi*, Count Uchida, President of the South Manchuria Railway Company, says that there are many houses, roads and schools within the railway zone under the management of the Company, and that as these are contributory to the deficit in the Company's finance, they must be put under independent management. The natural resources of Manchuria and Mongolia are being carefully looked into by Dr. Shiba and others. From what has been made clear so far, the outlook is very promising but for their development, no end of funds will be required. Count Uchida thinks that his Company will be capable of using loans to the amount of Y100,000,000. Its capital will also have to be increased.

Referring to the bandits, Count Uchida said that since the occupation of Chinchow, the most important thing to be done is to put down brigandage. General Yuan and other leaders of the new Administration at Mukden regard banditry as the greatest disgrace. All bandits must be swept out of Manchuria by co-operative efforts between the new Administration and the Japanese troops. Bandits are, to all intents and purposes, bands of unemployed. If the South Manchuria Railway Company devises measures to supply employment for them, they may be turned into law-abiding people. After they are effectually dealt with, peace will be established in Manchuria and Mongolia, he said.

Japanese Throttle Peiping-Mukden Railway

The following telegrams are condensed from special dispatches to the Shanghai Evening Post.

Tientsin, Jan. 10

The announcement was made at Japanese military headquarters here January 10, that the Japanese Army is unable to permit resumption of traffic on the Chinese and British controlled Peiping-Mukden Railway between Shanhaikwan and Chinchow. This statement closely followed the Chinese allegation that the Japanese have launched an extensive drive into Jehol Province. Jehol is an extensive area lying west of Fengtien Province and north of Peiping. The Chinese claim that the Japanese force of some 3,000 men, which participated in the occupation of Chinchow, now is advancing into Jehol over a branch railway extending northwest from Chinchow to the town of Peipao where important coal mines are located. Jehol City is located northwest of Peiping, being connected with a motor road about 125 miles in length.

⁂

Chinwangtao, Jan. 11.

The Japanese Army today is continuing its military campaign for control of Jehol Province.

For this purpose, General Honjo is using the 38th Brigade of the 19th Division which was transferred to Manchuria from Korea.

Major Hosoki is the commanding officer of the brigade. He also has the task of patrolling the Peiping-Mukden Railway between Chinchow and Shanhaikwan.

The Japanese campaign into Jehol has taken the form of a so-called anti-bandit drive. Political pressure is also being brought to bear against Tang Yu-ling, governor of the province, and who is a lieutenant of Marshal Chang Hsueh-liang's.

According to authoritative information from foreign sources at Chinwangtao, General Honjo has sent a considerable force, accompanied by mobile artillery units and airplanes into Southern Jehol and has occupied the town of Peipiao, an important coal mining center connected with the provincial capital of Jehol City by motor road.

Following the occupation of Chinchow on January 2 the Japanese claimed that a portion of the Chinese troops stationed there including a number of alleged bandits fled into Southern Jehol instead of retreating south of the Great Wall.

The Japanese, therefore, claimed that it was necessary to launch a military drive into Jehol in order to make a clean sweep of all four Manchurian provinces. Chinese reports state, however, that another purpose of the campaign is the Japanese occupation of Jehol and the creation of another puppet government in that province, which would place Japan in a position to dominate Peiping without the necessity of conducting military operations in the vicinity of Tientsin and Shanhaikwan where other powers possess important interests.

Due to the cutting of telegraph and telephone lines and the Japanese military occupation of the Peiping-Mukden Railway north of Shanhaikwan, it is difficult to obtain details of Japanese operations but refugees from Peipao arriving at Chinwangtao claim that the Japanese repeatedly bombed the city, using 10 bombing planes in the operation.

Following the bombing, it is stated, the area was occupied by the Japanese troops. It still is unknown, however, whether the Japanese actually are advancing in the direction of Jehol City although the Chinese declare that such an advance is certain in the event that the Jehol governor doesn't quickly decide to accept the Japanese dictatorship and join the independent regime which functions under Japanese auspices at Mukden.

A number of Chinese and British officials of the Peiping Mukden railway have made frequent trips to Shanhaikwan for the purpose of conferring with Japanese military commanders for the resumption of traffic between Mukden and Tientsin but the negotiations thus far have been fruitless of results.

According to General Ho, the Japanese have stationed a military force of from 20 to 30 men at all stations on the Peiping-Mukden Railway between Mukden and Shanhaikwan and have placed a staff consisting of South Manchuria Railway officialls in control.

America Invokes Nine-Power Pact

In an editorial paragraph last week *The Review* said: "It took quite some time for Amrica to get into action regarding the violation of Shantung province by Japan, but when the pyschological moment came, America moved and successfuly. Likewise in this matter of Japan's rape of Manchuria America will undoubtedly move in due course. America sponsors the Open Door and means it. It will not indefinitely put up with seeing it closed by Japan or by any other nation."

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America has already moved. *Reuter* telegraphed from Washington on January 7 announcing that the U. S. Government had invoked the Nine-Power Treaty, incidentally stating that "dramatic and far-reaching steps were taken by the United States in connection with the situation in Manchuria."

These new developments in the situation followed very quickly upon the conversations which H. L. Stimson, Secretary of State, had in Washington with the British and French Ambassadors. It was then announced that the three Powers had always worked "hand in hand" in the face of the Manchurian difficulties and consequently, although there was no intimation that Great Britain and France had associated themselves directly with the United States in invoking the Nine-power Treaty, it was taken for granted that the Governments of these three countries were in full agreement in the matter. This assumption was further supported by a further official announcement by the State Department that the Powers interested in the Far East had decided to take "sweeping and unmistakable" action. (Later telegrams made it clear that the United States would have to act alone).

The American Note

The Note in connection with the invocation of the Nine-Power Treaty, which was sent by the State Department to both the Chinese and Japanese Governments, opened with the assertion that following the recent military operations around Chinchow, the remaining authority of the Chinese Government in South Manchuria, as existing before September 18, has been destroyed. Continuing, the dispatch stated that the United States Government is confident the commission of inquiry of the Council of the League of Nations, which is shortly being sent to Manchuria, will facilitate the finding of an alternative solution of the difficulties between China and Japan, but, at the same time, the Government feels it is compelled to notify both China and Japan that it cannot admit the legality of any situation de facto.

The note also stated that the Government of the United States has no intention of recognizing any treaty or agreement between China and Japan, or their agents, which would impair the treaty rights of the United States or of its citizens in China, including those relating to the so-called "open-door" policy and to the sovereign independence and territorial and administrative integrity of China.

In conclusion, the Note pointed out definitely that the United States will not recognize any situatiqn, treaty or agreement brought about by means contrary to the Pact of Paris.

This Note to China and Japan was also been sent to the other signatories of the Nine-Power Treaty. It was sent without comment, but in publishing the Note attention was drawn to the joint statement issued by President Hoover and Ramsay MacDonald, British Premier, in 1929 which recognized the Kellogg Pact as a positive obligation for direct national policy.

The Nine-Power Treaty guarantees the territorial integrity of China and stipulates that none of the signatories shall acquire special privileges to the detriment of other Powers. According to the actual wording of Article 11, they must "refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States." The Contracting Powers also agree not to enter into any treaty, agreement or understanding, either with one another or individually or collectively with any Power or Powers, which would infringe "the sovereignty, the independence and the territorial and administrative integrity of China."

If a situation arises which in the opinion of any one of the Contracting Powers involves the application of the stipulations of the Treaty and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers.

The Motherland's Call

BY DJIENBIEN YOUNG.

For the Anti-Japanese Agression Society.

To Arms! to Arms! hearken the call,
Sons of China, in ranks quickly fall,
Japan is bringing her army to debate,
To repay is our scorn and deadly hate;
Two scores and more of years,
Our National shame we do bear,
Forget not the fateful Hu-loo day,
Our arms all lost in a mighty fray,
Again, here comes our earthly foe,
Without a drum nor trumpet blow,
Taken in peace, whilst we sleep,
Cities from our sacred keep,
Ravages worse than Atila the Hun,
The civilized World was shocked and stunned;
To Arms! to Arms! hearken the call,
Overseas Sons loyalty all,
Japan hath gathered her great array,
And sworn to conquer us within a day;
Home come thou leigons across the seas,
Throating an answer to their boastful Banzi,
For China with Chinese Arms,
Will sweep her threatening harms,
And sweep them like an angry tide,
Even as must we to Vahalla ride,
Our bayonets strong and bright,
Carving a way for Justice right,
So under China's battle banner gather thee,
Win back Chunghwa's freedom and liberty;
To Arms! To Arms! rings the call,
China needs her Sons, one and all,
Japan sits now within our frontier gates,
Would thou leave Motherland to her fate;
Scions of the Mighty Han,
Display thy mailed Fisted hand,
Our Comrades's blood at Cheungchuen hath flowed,
Three hundred died, their trust deadly and bold,
At Heilungkiang the day we won,
Seventeen thousand foes did run,
Follow up their doughty deeds,
Prove thou art from worthy seeds,
Should thou another flag's protection claim,
Forever shalt thou be cursed with a Tratior's name,
Tenfold shall the curse upon you fall,
Reap even your seeds generations all;
To Arms! To Arms! the call repeats,
All loyal hearts do stoutly beat,
Japan disturbing the world's eternal peace,
For us our duty to harness this raging beast;
Forget not their deeds at Wanpaoshan,
Now they are camping beyond Shanhaikwan,
Five hundred Iron Steeds they say,
Could overrun China on any day,
Is it their boast so true,
Will we be subject to their rule,
Once again, hearken the call,
China's Sons in rank quickly fall,
Together, we will whip them as in days of old,
That Ballads sang of our Warriors' might and bold,
Unfurl China's battle banners,
We'll teach these Japanese some manners.

Noulens, Alleged Communist, and Wife Handed Over to Higher Court at Soochow

By a special order from the Ministry of Justice Mr. and Mrs. Noulens and their Chinese secretary, Fu Ta-chin, were recently transferred from Nanking to Soochow. The three were arrested in Shanghai some months ago as alleged communist agents and were handed over to the Chinese authorities. Originally they were placed in a military prison at Nanking and were subjected to close examination, which revealed little information. Later they were ordered to be transferred to the Nanking District Court but were not tried and then an order was issued transferring them to the jurisdiction of the Soochow Court.

Japan's "Victory"—Her Honor at Stake

From the New York "Nation", (Dec. 2, 1931)

ON the face of the Manchurian situation Japan appears to have won a smashing victory. It has consolidated its gains, advancing far beyond its previous lines, and, with supreme insolence, has ordered the Russians not to send troops into the zone of Russian influence—in other words, not to do what Japan itself has done. Now, after having imposed its military will upon Manchuria and Russia, its representatives announce that they are ready for an after-the-fact investigating committee to be appointed by the League of Nations and to be headed by one of the most bellicose American generals. Meanwhile, Japan will be creating subservient local governments in the captured cities and will insist that all of this is merely to protect its interest in the south Manchuria Railway, which its spokesmen disclose to be as vital to Japan's defense of its homeland as the Panama Canal is to the United States.

To all of this we can only repeat that it seems to us as cold-blooded a bit of militaristic aggression as is recorded anywhere, and that, while we favor an impartial fact-finding inquiry by the League, we trust that no stone will be left unturned to get the Japanese back to their former positions, and later out of Manchuria altogether. We see no reason whatever why the Japanese crime of conquering and subjugating Korea should be reenacted at this hour in Manchuria. We are well aware of the Japanese justifications for this action: treaty violations by the Chinese, injustice to and even murder of Japanese nationals, the breakdown of local and provincial governments. They are familiar enough in every such military intervention, wherever it takes place and under whatever flag, whether in Manchuria, or Tripoli, or Nicaragua, or Haiti. There is always bad government, always insults and injury, and then the inevitable bloodshed and taking over of more or less of the weaker country's sovereignty and rights.

Other Nations Have Been Guilty Also

We can well understand why there are anger and surprise and resentment in Japan that this "civilized" procedure is being denounced by the rest of the world. The Japanese public knows, of course, that almost none of the great nations now seeking to limit its activities, and stop its aggressions in Manchuria, are taking a seat in court with clean hands. They have been guilty, too. But what the Japanese must realize is that the existence of the League itself and the signing of the Nine-Power Treaty and the Kellogg pact were meant to put a stop to this very thing, to usher in a new order of society. The integrity of China was specifically guaranteed in the former treaty. For the United States and the League to sit calmly by and witness the rendering of these treaties null and void was unthinkable. Nobody has any right whatever to criticize the League and the United States for acting. The only sound basis for criticism is that they did not act quickly or vigorously enough, that our own State Department has wobbled and blustered, and unfortunately succeeded in giving the false impression that it favored Japan when really the opposite was the case.

In other words, the Japanese are thinking in terms of a bygone era, and this remains true enough though the Japanese people are entirely united behind their government. They must, however, be prepared to pay the price of their mistake. In the first place, China has a deadly weapon to use and has already begun to use it—the boycott. The newly arrived Minister from Siam to the United States, who was until recently Minister in Tokio, reports that the boycotting of Japanese goods by China and Russia, together with the grave depression already felt in Japan, has created a serious problem in the latter country: "Japan, I was in a position to observe . . . could little afford such a boycott." From Canton and other Chinese cities comes a report that "the business of Japanese firms has almost ceased," and that the pickets are beginning to seize Japanese goods that remain unsold after two months' warning that no further sales would be tolerated after a given date. This is as it should be. We cannot see why any Chinese should refrain from joining such a non-resistance movement. We hope that they will refuse to deal with Japanese on any terms, to the extent of rendering the residence of Japanese in China impossible.

Pressure Should Be Put on Japan

But we are not content to stop there. We still feel that the prestige of the League and of the United States demands the development of the severest pressure, and the application of sanctions whether a fact-finding commission is appointed or not. That commission can only establish details as to who was the aggressor, what the sequence of events, and what the Japanese have actually done. The fact of the aggression is perfectly clear; the obvious danger remains of a complete Japanese control of Manchuria by the elimination of anti-Japanese elements in high places in Manchuria and the erection of a government which will recognise Japan's rights and interests to the extent that it wishes them recognized. The more that outside pressure is brought to bear either through the Chinese boycott or the action of the Powers, the greater the chance that Japanese civilians will be able to assert a greater authority over their militarist adventurers who have outraged Manchuria, and succeeded in getting the approval of their government and their deluded fellow-citizens. How much that strengthening of civilian control is needed appears from the rumors that the position of Baron Shidehara, the present Foreign Minister, who has been responsible hitherto for the moderate attitude shown toward China by Japan, has been so shaken that he may shortly retire. This would be a genuine misfortune.

But most important of all is, of course, the necessity of upholding the treaty and establishing the power of the League as a reliable agency to prevent war. If Japan succeeds in holding what it has seized in Manchuria, the prestige of the League will be at a low ebb. Should it be followed by disaster at the coming disarmament conference, the League will be so damaged as to raise grave question of its future usefulness. If Japan takes over Manchuria after what has been nothing else than war, and the sanctity of the Kellogg pact is not upheld, that document must be regarded as having been fatally breached in its first test. If Japan can defy the Nine-Power Treaty, then the United States might just as well denounce it as of no further value. What the Japanese people do not realize is that their word and their sacred honor are at stake.

Chinese Students Are Active Again

A delegation of 460 students, representative of the universities and schools in Nanking, arrived in Shanghai Jan. 2. The object of their visit was to interview Wang Ching-wei and endeavor to persuade him to take an active part in the Government at Nanking. They temporarily took up quarters in the Chiaotung University (Nanyang), Avenue Haig and Hungjao Road intersection. They also plan to proceed to Fenghua to approach Gen. Chiang Kai-shek with a similar plea.

The attempt of the students of the Central University at Nanking to oust their new President, Kuei Chung-chi, was crowned with success, as Mr. Kuei, who was manhandled by the students on Sunday, has postponed his assumption of office indefinitely. When approached by a student delegation of the University, Chu Cheng, vice-President of the Judicial Yuan, and a member of the Central Executive Committee, informed the students that he would use his influence to dissuade Mr. Kuei from assuming his new post but he asked the students to resume their studies immediately. In reply the students declared they would only resume their classes on condition that the Government would withdraw the appointment of Mr. Kuei.

In a parade engaged in by several hundred students in Shanghai Sunday, Jan. 10, a coffin was carried in memory of a student from Peiping who was killed at a demonstration in Nanking December 17. The parade covered the Chinese City, the French Concession and the International Settlement. The International police dispersed the parade in Broadway, where it had blocked the traffic. The students dispersed, leaving a few "pall-bearers" to convey the coffin to the Szechuen Residents' Union headquarters on Kiangwan Road. Several of the students were sightly injured.

New U. S. Aircraft Carrier Coming to China

The U.S.S. *Langley*, aircraft carrier, together with the cruisers *Ashville* and *Sacramento*, are due to arrive in China waters during the spring. The flagship *Houston* is due in southern waters during the winter, coming up to Shanghai about end of April or the first of May. The *Houston*, together with the other ships of the fleet, is at present taking part in maneuvers in Philippine waters.

The transport *Chaumont* is scheduled to arrive in Shanghai from Manila February 7.

A Plea to Chinese Political Leaders

BY PAUL K. WHANG (汪仲芳)

IN defiance of the League of Nations' resolutions, Japan successfully drove out the Chinese forces from Chinchow on Jan. 2, thereby wiping out the last vestige of Chinese admintstration in Manchuria. To the Chinese public, this news has occasioned no surprise, because the occupation of that strategic point has been long contemplated by the Japanese militarists; but to the American public, which has been so far deceived by the sweet words of the Japanese, it, however, proves a shock. Colonel Henry L. Stimson, the Secretary of State of the United States, on hearing the news of the fall of Chinchow, has been reported as being busily engaged in having conversations with the British and French ambassadors; and news from Washington has indicated that the U. S. will very shortly issue an important statement on her policy. Thus on Jan. 7, the U. S. Government invoked the Nine-Power Treaty by sending identic notes to China and Japan informing the parties concerned that the United States will not admit the legality of any de facto situation or recognize any treaty and agreement between China and Japan which impairs the treaty rights of the United States or its citizens.

Ever since the night of Sept. 18 of last year, when Japan began its invasion in Manchuria, China has pursued a policy of non-resistance and trusted that the United States, the traditional upholder of peace and justice, will defend her against Japanese atrocities. But to the disappointment of the Chinese people, the United States, for some reason or other, maintained an indifferent attitude toward the Manchurian embroglio, and right after the Japanese invasion in Manchuria, Col. Stimson on behalf of the U. S. Government stated that the Japanese action did not constitute a violation of the Anti-War Pact. A few days later, on Sept. 23, he dispatched identic notes to the Chinese and Japanese governments expressing the hope that "they will cause their respective military forces to refrain from further hostilities and so dispose their armed forces as to satisfy the requirements of international law and international agreement and that they will refrain from activities which may prejudice the attainment of their differences by amicable means." Besides this note and several others dispatched subsequently, admonishing the disputing parties not engage in to further military activities, the U. S. Government up to Jan. 7 has refrained from committing itself to any act which might be interpreted as an interference with Japan's wide dream, or incurring the displeasure of the Japanese government—although it sent an observer to the League Council's meetings and worked 'hand in hand' with the League to seek a formula for settling the Sino-Japanese dispute. The indifference and inaction on the part of the U. S. Government have only served to whet the appetite of the Japanese militarists, who, after seeing and being assured that no country in the world would stand out and oppose their strong action against defenseless and helpless China, have gradually, on one pretext or another, worked out their plan of annexing the whole of Manchuria. Only after four long months of intensive warlike activities conducted by Japanese militarists in Manchuria, culminating in the occupation of Chinchow, the officials of the U. S. Government have finally changed their attitcde and come to the realization that it is the psychological moment to act, if the sanctity of international laws and agreements are to be preserved and the principle of the "open door" and or of "equal opportunity" are to be saved.

Why Japan Watches American Attitude

That Japan has always kept a watchful eye on the American attitude is not without reason, because she is fully aware of the fact that besides the United States, no other big country in the world would be so altruistic as to defend the interests of a weak country against a strong Power. In perpetrating atrocities in Manchuria, she can easily muzzle the mouths of other Powers by promising them this or that privilege in China, but in dealing with the United States, a country which helped China to get back Shantung province in the Washington Conference, she has to find some excuses to justify her action. Throughout the last four months, she has suspected every gesture of the U. S. Government, which, she fears, may prove beneficial to China and immical to Japan. Thus she objected to the League's invitation to the United States to send an observer to its Council meetings, and maliciously attacked Col. Stimson when the latter's statement had been misquoted in the press. In the meanitme, the anti-American feeling has been worked up among the Japanese public, and even the American diplomatic officer was manhandled by the Japanese soldiers in Mukden when the former produced an American passport. Because of the fear of the United States, she has frequently emphasized that she harbors no territorial ambitions and has no intention to rescind the principle of the "open door" and of "equal opportunity". She may fool the American public once, but she can not fool it all the time. Therefore at the eleventh hour, the United States, after seeing the inefficacy of the League's resolutions to curb Japan's action, assumes the world leadership by charging Japan with the violation of the Nine-Power Treaty.

The news of this sudden action by American has been greeted by the Chinese public with gratitude, although many of our people have believed that if this action was taken two months earlier, the Manchurian situation would not be as bad as it is today. However, as recipients of assistance from our friends, we are far from being in a position to accuse our friends and ask why they did not give us assistance earlier when we had not yet sunk so low in the quagmire. On the other hand, we have to blame ourselves for the conditions that led us to such a destitute situation. The indifference and inaction on the part of the U. S. Government for the past few months have been largely due to the fact that China has been deprived of a united government. When a house is divided against itself, no friend will give helping hand against their enemies. What is true of a family is also true of a country. *The Review* in its editorial on Jan. 9 issue has driven the nail on its head by stating "The Chinese will probably find that in the end the United States of America will give them effective aid in regaining their lost right, as they have in the past...It took quite some time for America to get into action regarding the violation of Shantung province by Japan, but when the psychological moment came, America moved, and successfully. Likewise in this matter of Japan's rape of Manchuria America will undoubtedly move in due course...In the meantime it behooves the Chinese people, merchants, bankers, manufacturers, peasants and all, to do their utmost to set their house in order and make themselves worthy recipients of the help which will in due course undoubtedly be vouchsafed to them."

Is China Setting Her House in Order?

In reading these statements, we shall naturally ask ourselves the question whether we have finally set our house in order and made ourselves worthy recipients of the American aid. It is true that after several months of conferences and negotiations we have finally set up a new coalition government. Is that new government an augury of better days in future? It is an open secret that right after the birth of the new government, the dark clouds in the political horizon have been gathering thicker and thicker, threatening an immediate storm. First, none of the three members of the standing committee of the Central Political Council, Gen. Chiang Kai-shek, Wang Ching-wei and Hu Han-min, has been in the Capital. Their continuous absence has made us believe that there must be something wrong with the new government. Secondly, a nine-province alliance has been allegedly formed—including Kansu, Shensi, Honan, Hupeh, Anhwei, Kiangsu, Chekiang and two other provinces for the purpose of presenting a united front against the new government. Thirdly, from *Reuter's* dispatch from Hongkong dated Jan. 3, we have learned that under the pretext that Gen. Chiang Kai-shek is trying to stage another comeback, the political and military leaders in Canton have organized some sort of a southwestern regime which is nominally subordinate to Nanking but is virtually independent. The southwest comprises Kwangtung, Kwangsi, Yunnan, Kweichow, and possibly Fukien and Hunan. Mr. Hu Han-min, as reported, figures prominently in this southwestern scheme, though actually on official sick-leave in Hongkong. Furthermore, the Canton government will retain the $2,000,000 collected from the custom surplus fund for military purposes. And lastly, in withdrawing his forces from Chinchow, Marshal Chang Hsueh-liang has an ulterior motive to serve, that is, to defend his position against any possible attack from Gen. Yen Sih-shan and Marshal Feng Yu-hsiang, who are reported as being prepared to overthrow Marshal Chang's regime. It has also been reported that Marshal Chang will retain the customs and salt revenues in Tientsin as a means of replenishing the depleted funds. With these conditions in view, we are ashamed to say that in spite of the formation of a new coalition government, our country is as divided as ever. In face of these unhappy conditions, Sun Fo, the president of the Executive Yuan of the new government, in an

(*Continued on page 223*)

What Japan Hopes to Accomplish in Manchuria

BY GEORGE F. SOKOLSKY
in the "New York Times."

JAPAN, perhaps more definitely than any other nation with the possible exception of the Germany of Bismarck or the Soviet Russia of to-day, has set before herself a goal and envisaged clear objectives for the future. Since 1868 she has been moving in specific directions; she has been seeking:

First, expansion, which has looked toward a continental base in Asia and a hegemony over East Asia.

Second, what she calls a "place in the sun," namely, pre-eminence among Asiatic nations and political equality in the family of nations.

Third, security with regard both to her existence as a national State and to the welfare of her people, who cannot thrive on a modern social and economic basis unless safety is guaranteed for the means of maintaining the supply of food and raw materials.

Fourth, an end to racial discrimination, a struggle in which Japan assumes that she represents not only herself but all Asiatic peoples.

I—Expansion

The programme of expansion as envisaged perhaps as early as 1868 by the Emperor Meiji, his military adviser, Prince Yamagata, and his civil adviser, Prince Ito, included growth in three directions: first, in territory; second, in influence, and third, economically.

1. *Territorial Growth*— Japan's territorial expansion has been achieved largely by warfare. In his "Japanese Traits and Foreign Influences," Professor Inazo Nitobe provides a guide post for the subject which we may consider in a paragraph:

"When Japan broke with the policy of seclusion and looked out upon the world, she was amazed to see, floating on the opposite shores of China, a number of unfamiliar flags—the Tricolor, the Union Jack, and, nearest to her, the Double-headed Eagle. If under these flags had marched an army of artists and poets, we would have emulated them and combated them in the field of art and literature. But when under the flags glistened swords and cannon, Japan, too, had to arm herself for sheer self-defense. Militarism was thus the first suggestion given to the East in its contact with the West."

In 1868 Japan consisted of four islands, Kyushu, Hondo and Hokkaido, totalling 147,327 square miles. To-day this area is referred to as Japan proper, but to it must be added Korea, 85,228 square miles; Formosa, 13,840 square miles; the Kurile Islands, 3,970 square miles, and 13,934 square miles in Sakhalin, making a total of 264,349 square miles. To this must further be added a mandated area in the South Seas which covers 960 square miles, and the Japanese-ruled land in Manchuria, which embraces the 14,000 square miles of the Kwantung Leased Territory.

The Railway Zone

Finally, the South Manchurian Railway Zone plus the territory held in Manchuria as a result of the present conflict, pending settlement between Japan and China, must be included. This area may be de described roughly as a triangle, the base of which is in the north on a line from Hueining in Korea to Anganchi in Western Manchuria. One side of the triangle runs from Anganchi to a point above Chinchow on the Peiping-Mukden Railway, thence to Port Arthur at the southernmost tip of the Liaotung Peninsula. The other side extends from Dairen along the boundary between Manchuria and Korea. This area is less than half of the 382,000 square miles in all of Manchuria, but it is considerably more than half of the economically valuable part.

Japan has therefore grown into a mighty empire, stretching from the centre of Sakhalin almost to Australia, with a large and substantial base for economic penetration and strategic protection on the mainland of Asia Since 1878, the population of Japan, excluding non-Japanese peoples inhabiting the empire, has increased from 35,000,000 to 65,000,000, an increase which is steadily continuing.

Historically, this expansion took place in four periods:

(a.) From 1868 to 1875, Japan added to her possession Kuriles to the north and the Loochoos to the south.

(b.) The Sino-Japanese War (1895) brought her Formosa. She was deprived of the Liaotung Peninsula (South Manchuria) by the Dreibund—Russia, France and Germany—but her dominant position in Korea was firmly established and China agreed that the province of Fukien, opposite Formosa, would not be ceded to another foreign power. Japan's territorial objectives in Asia thus became clear: the islands to the north and south of her; Fukien, opposite Formosa; Korea and South Manchuria, on the mainland.

(c.) By her victory in the war with Russia (1905) Japan gained a vast territory. The southern half of the island of Sakhalin was ceded to her. Korea became a Japanese protectorate and in time a Japanese possession. The Yiaotung Peninsula became the Kwantung Leased Territory under a lease from China. The cession to Japan of the lease on the South Manchuria Railway Zone brought her into the city of Mukden, the capital of Manchuria.

The Yalu and the Tumen Rivers had now become the geographical boundaries of Japan's position on the continent of Asia.

The Twenty-One Demands

(d.) In 1915 the Twenty-one Demands were imposed on Peiping, following Japan's entry into the great war and her seizure of the German possessions in China. Out of the Twenty-one Demands, Japan actually gained nothing in new territory, but she did obtain extension of the Manchurian leases. These demands were made while Europe was at war and Japan was an ally, and may be regarded as part of World War political strategy. The principal territorial demands were for special privieges in Manchuria and Eastern Inner Mongolia; recognition by China of Japan's position in Shantung, and establishment of a Japanese sphere of influence in Fukien. These proposals stirred such opposition in China that they were eventually dropped.

Also as part of the World War situation, Japan participated with her allies and with the United States in the venture in Siberia in 1918. But the Japanese found the Siberian climate too cold and the Soviet partisans too hostile, and after the Nicholaevsk massacre, in which many of their troops lost their lives, they lost interest in the martime provinces of Siberia.

As one of the great powers at Versailles. Japan shared in the partitioning of the German Empire, obtaining a mandate for former German colonies in the South Seas.

2. *Growth in Influence*—Simultaneous with Japan's territorial expansion has come a recognition of her international position. In the realities of world politics, her equality was completely recognized at the Peace Conference, where she was treated no longer as a backward or weaker nation but as an equal of the United States, Great Britain, France and Italy. To-day a permanent seat on the Council of the League betokens her eminence in world politics. The importance attached to her views at disarmament and reparation conferences, often such as are concerned only with European affairs, not only adds to her prestige in Asia but defintely places her in the category of leading powers.

3. *Economic Growth*—Japan in 1868 had almost no foreign trade. For 300 years before 1853 she had been isolated from the rest of the world, except for a trading station with the Dutch on an island opposite Nagasaki. In 1929 Japan's foreign trade amounted to $2,012,191,000. Although there was an adverse balance of trade amounting to $31,174,000, this commerce represented a vast industrial development particularly in the texite field.

Japan's industrialization is based not upon a utilization of indigenous natural resources, but rather upon a capacity to organize industry for the exploitation of low-standard markets in surrounding countries and the specialized low-priced goods markets throughout the world. Thus in 1929, 46.6 per cent. of Japan's exports were to Asia and the South Sea Islands, of which China, including Hongkong and the Kwantung Leased Territory in Manchuria, took 26.7 per cent. Her exports to the United States amounted to 41.5 per cent. It is obvious, then, that Japan is dependent for the success of her economic life upon the trade with China and the United States; these are two types of markets, the Chinese con-

suming principally the low-priced manufactured textiles of Japan, and the United States consuming the low-priced raw silk as a principal commodity.

An Important Economic Factor

Into this economic picture enters a factor of singular importance. Except for silk, Japan has few raw materials to support her industries, and therefore the basis of her life is dependent upon foreign countries, the most accessible and the most easily exploited of which is China. Boris P. Torgasheff, a Far-Eastern expert, supplies the following figures to illustrate a comparison of raw materials in in China and Japan:

Coal—China, including Manchuria, 217,626,000,000 metric tons (Official Geological Survey of China); Japan, 5,000,000,000 metric tons (Official; about half below workable depths).

Iron—China, 951,000,000 metric tons; Japan, Korea and Formosa, 130,000,000 metric tons. Both these estimates are optimistic; another estimate places Japan's reserves of iron ore at 40,000,000 tons with an additional 40,000,000 tons of very low grade ore.

With Japan's production of steel now reaching 1,500,000 tons a year, there is not much hope for her industry unless the raw materials are assured. Her imports of iron amount to 6.9 per cent. of her total imports. In 1929 she took 9.8 per cent. of all exports from the United States, and 14.8 per cent. of the American export of cotton.

Japan is dependent upon imports not only for raw materials but also for food and fertilizer. Thus the soya bean of Manchuria becomes a principal item of her trade, amounting to 7.7 per cent. of the imports as compared with 3 per cent. for wheat.

In these circumstances, two points of view are in constant conflict in Japan. One is that Japan must, by military coercion if necessary, keep open to her trade certain markets in China to keep alive Japanese industry, and Manchuria, as a source of supply for coal, iron, beans and wheat. The other view is that this policy is expensive and involves Japan in costly economic boycotts and a loss of prestige abroad; that the soundest method of controlling markets and raw materials is open competition, low prices, superior organization, and the like.

The present situation in Manchuria involves one phase of this conflict.

II—"Place in the Sun"

Count Okuma once wrote: "The Japan of to-day is no longer the Japan of Japan but the Japan of the world." To which one may add the words of Viscount Kaneko: "We have obtained a voice in the Parliament of Man at the cost of blood and money; we must use the new right to good purpose."

This doctrine may be restated as Japan's search for a place in the sun.

Japan came on the scene late. Only from 1894 to 1914 could she compete with European imperialism. Even then she could not do so with too great sucess, for the European powers were seizing everything they could. Great Britain, France, Russia, Germany, Holland, even Portugal, established Asiatic empires, and the United States gained possession of the Philippines. After Japan's defeat of China in 1895, only Great Britain really understood her objectives and sympathized with them, and it was not until Japan defeated Russia in 1905 that the the other countries realized that an Asiatic imperialistic power had risen to the rank of equality with the European imperialistic powers.

Japan could find room then only in Korea and in parts of China for her expansion. Even in China most of the country had been pre-empted by spheres of influence: the British in the Yangtse Valley and in the Hongkong hinterland reaching to Canton; France in South China in the Provinces of Yunnan and Kwangsi; Germany in Shantung; Russia in Manchuria. Over the whole of China, the United States had imposed John Hay's doctrine of the "Open Door Policy," which Japan quickly incorporated into her political system but which undoubtedly was a hindrance to the development of her territorial and political designs on the continent of Asia.

Great Britain, fearing the advance of Russia into Asia, had joined Japan in the first Anglo-Japanese alliance, which, signed on January 30th, 1902, assured to Japan a position in East Asia as paramount as Great Britain's was in South Asia.

The treaty at first used the simple title "Agreement Relative to China and Korea," but in 1905, when it was revised and renewed, the title was made to read: "Agreement Respecting the Integrity of China, the General Peace of East Asia and India and the Territorial Rights and Special Interests of the Parties in Those Regions." The territorial integrity of Korea was no longer a factor, for Japan had determined upon the acquisition of that territory. But Japan's hegemony in East Asia was sufficiently recognized to satisfy her desire for international recognition as an equal of the "white" countries.

Japan's continued search for a place in the sun, her insistence upon leadership in Asia, finally led her into the World War on the side of the Allies, although popular sentiment in the country rather tended to favour Germany. Japan emerged from the war as one of the five great powers. Holding a determining voice at the Peace Conference, she helped to delineate the Polish Corridor and the boundaries of Rumania and Yugoslavia. Later she was consulted on repartions and obtained her permanent seat on the League Council. For Japan, from the standpoint of her spiritual, as distinct from territorial, ambitions, Versailles was a supreme moment.

III—Security

But while a place in the sun glorifies the the flag, it does not provide security. To Japan the term security suggests more than the protection of her geographical boundaries. It may be assumed that the islands in the Pacific which comprise Japan proper are secure. It may be also be assumed that Korea and Formosa, and even the mandated islands in the south seas, are secure. But Japan's position in Manchuria has ever been in doubt, and Manchuria has been regarded by the Japanese as their first line of defense since they became a modern nation. This is because Japan's objective enemy is Russia—Soviet Russia as well as Czarist Russia. At one moment Japan and Russia working together against China—but neither can ever forget that there is no room for both in East Asia.

Professor Royama has thus described this sentiment of the Japanese: "This linking of territorial expansion and the urgency of national defense with fear of foreign aggression is still found in the psychology of the Japanese people as well as some Japanese statesmen."

To the Japanese, then, Manchuria became the chief factor in national security Various treaties and agreements among powers made it impossible for Japan to take over Manchuria, but she adopted a method of national defense by economic means. She would control the railroads of Manchuria, the pricipal mines and industries, the leading port.

In 1896 Li Hung-chang had signed the secret Li-Labanoff Treaty with Russia—an offensive and defensive alliance aimed at Japan. Japan had no exact knowledge of this treaty until the Washington Conference of 1923, but all statesmen in all countries were conscious of the existence of some Sino-Russian understanding, the external evidence of which was the building of the Chinese Eastern Railway. Unquestionably the nervousness which developed in Japan over Russia's progress in Manchuria led to the Russo-Japanese War. At the Kyoto conference of the Institute of Pacific Relations in 1929 Matuoka, Japan's leading authority on the South Manchuria Railway, stated Japan's reactions to this Sino-Russian alliance in the following unequivocal language:

Japan cannot, and has not, lost sight of the vital consideration of her national security. It must be remembered that Russia at one time almost succeeded in capturing Manchuria, with Mongolia and Korea to boot, with Chinese connivance. History repeats itself and Japan remains justified in entertaining apprehension on this point; but even with the consideration of this phase of the situation, Japan has sought to accomplish her aims largely by lending the best of her brains to the economic development of the country.

The Agreement of 1907

In 1907 Japan entered into a secret agreement with Russia mapping out their respective spheres of influence in Manchuria. During the following three years many proposals were made for the economic development of Manchuria which threatened Japan's conception of security, the most serious being the Knox scheme for neutralizing Manchuria's railroads. The secret Russo-Japanese understanding of 1907 was then renewed by new treaties in 1910 and again in 1916. The intent of these treaties—namely, the maintenance of the status quo in Manchuria and the mutual recognition of spheres of influence, apparently is effective to-day.

Matsuoka in another speech said: "The right of any race to live, when presented on its minimum basis,

is in any case a proposition that admits of no dispute and that is as a rule approved of not only on international but also on human grounds." Even so liberal a statesman as Baron Shidehara, Japan's Foreign Minister at the time the present crisis in Manchuria arose, who is intellectually opposed to the employment of armed force in China, used the following words in an article stating his China policy—which until September 18th was, Japan's policy:

"Indulgence and patience are called for in regard to the existing state of things in China, but the just and important rights and interests of Japan shall be maintained and defended by all lawful means."

No matter how much difference of opinion there may be in Japan as regards the method of achieving security, the keynote of all policy is security. What security means to France, it means to Japan—not merely that a boundary shall be here or there, but that bread and rice and goods shall be plentiful. Manchuria is the stage upon which Japan's struggle for security will always be fought.

IV—Racial Equality

Finally, we reach an objective of the Japanese people which politicians and statesmen may, at times, ignore but which ever burns in the flash of every Japanese—racial equality. The Japanese do not recognize that there is a different between a "white man" and a "yellow man" because of the pigmentation of the skin. Baron Shibusawa, America's best friend in Japan, could never forget the sign once kept as Golden Gate Park in San Francisco: "Japanese are not admitted." No Japanese can regard the exclusion laws as anything but an injustice and an insult. Incidentally, whatever the Japanese feel on this subject, the Chinese feel more intensely.

Baron Okuma once wrote in a message to Americans: "The true difference of mankind is neither in the colour of the skin nor in the form of the body, but is, if any, in the degree of culture." To this may be added Viscount Kaneko's more belligerent statement of the same idea: "Japan has emerged out of her two foreign wars as a nation with a splendid organization and as civilized as the foremost countries in Europe and America, imposing respectful consideration upon them and breaking, to the resentment of some of them, their traditional assumption that the white race is essentially superior to the yellow."

Whereas security is political, the struggle against racial discrimination is psychological. Dr. Nitobe has written so brilliantly on this subject of racial discrimination that it is impossible to read him without feeling that some day this will become the most important question on the Pacific, dwarfing expansion, leadership and security as non-essentials. Whereas the Japanese can think about these other objectives, they feel as a race. Racial equality involves not only each individual's "face" but the collective "face" of the nation, and not only of the nation but of all the people of Asia. Racial discrimination is regarded as so petty, so mean, so arrogant, that the leaders of Japan have never understood how the big men of other nations tolerate it. When Baron Shibusawa paid a visit to the United States he was stunned by the sign in Golden Gate Park. To him Japan's greatness was meaningless if any Japanese was to be excluded from an American park on the sole ground that he was a Japanese. Every Japanese, without exception, feels as Shibusawa felt on this question.

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Tsitsihar Back to Normal Again

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Tsitsihar, Heilungkiang Province,

January 2, 1932.

Tsitsihar has been very quiet for the past few weeks. Yesterday, New Year's Day, the main street was decked out with the flags of the Republic of China. Hundreds of them were displayed. This was the first time that Chinese flags have been in evidence since Tsitsihar was occupied by the Japanese troops six weeks ago.

The Japanese troops are still here, but there do not appear to be a great many of them. There are also a number of Chinese troops which have come from Harbin and are said to be under General Chang Ching Hui's orders, and hence subordinate to the Japanese. Some of them are cavalry, and infantry can also be seen drilling in the streets. They appear very neat in their trim uniforms. Some Chinese say that they are "Hung Hu Tzu's whom Chang Ching Hui has recruited into his forces.

Business appears to be going on as usual, The American missionaries in Tsitsihar are going about their work as if nothing had happened. They are still flying the American flag over their premises though it seems hardly necessary now.

For a number of days the Japanese have prevented Chinese newspapers from Harbin and other parts of China being delivered by the Tsitsihar Post Office. A number of Chinese have closely questioned the writer about the news, stating that they had not seen a real newspaper for several days. They were particularly eager to learn the news about the situation at Chinchow and knowing that the writer regularly received an English newspaper, inquired for the news.

For several weeks the local Post Office was unable to issue money orders on other parts of China, and for a time, even on Harbin, but now this business has been resumed. The Post Office requires Harbin currency or else Harbin-stamped Heilungklang currency in payment for the issuance of money orders.

About December 17 a mail truck carrying mail from Tsitsihar to Taheiho on the Amur River, was attacked by bandits at a point north of Tsitsihar and two postal employees shot dead. The Post Office sends a truck every day to carry mail to Taheiho and intermediate points. The truck was going down a hill and at the bottom the bandits held it up. As it was impossible to stop the truck instantly, the bandits fired, resulting in the killing of two men.

The local schools, which were closed before the Japanese occupied Tsitsihar, are still closed. These include a Provincial Normal School, Provincial School of Communications, and Provincial School for Mongolian Boys, with a total student body of about eight hundred.

Japanese airplanes, which formerly were a daily sight, have not been seen for about ten days. The Chinese population seem to have recovered from their original panicky fear of the Japanese troops, to their great relief.

American Citizen Involved in Opium Scandal

Paul S. Crawley, an American citizen who has resided in Shanghai for a number of years and who gained fame as the pioneer in introducing American ice cream to China, was arrested on January 9 on charges of exporting opium from China and importing same into the United States. According to charges filed by U. S. Attorney George Sellett, Crawley is alleged to have sent 55 tins each containing four ounces of opium from Shanghai to a Pacific Coast port between the dates August 11 and September 23, 1931 aboard the U. S. S. *Chaumont*, U. S, government transport.

Crawley is detained in the American jail in Shanghai pending posting of bail of Gold $10,000. The arrest of Crawley follows months of hard work on the part of local American officials in co-operation with agents on the Pacific Coast of the Departments of Justice and the Treasury. Trial of the case before Judge Purdy in the United States Court for China will be held as soon as witnesses summonend from America arrive in Shanghai. In 1923 Crawley was convicted on a charge of running a gambling establishment in Harbin.

How the House of Mitsui Helped the Seiyukai Ministry—Bankers Win, People Lose

BY A. A. R.

ALTHOUGH for the majority of humanity the present time is the hardest it ever had, a certain group of Japanese bankers cannot complain of bad times. At any rate, the recent abandonment of the gold standard by Japan, which has brought about the wholesale increase of all prices, was a welcome bit of news for the bankers, who have, because of the fall in the yen exchange, reaped fabulous profits. Among them is the House of Mitsui, which is reported to have earned no less than 50 million yen overnight on the difference between the yen exchange rates prior to and after the suspension of the gold standard.

It is not a secret that between the House of Mitsui and the Seiyukai party there exists almost a historical connection, which has become still more marked by the recent coming to power of the named party, headed by Mr. Inukai and his ministry. Some people are inclined to explain the reappearance of the Seiyukai by the influence of an all-powerful military clique—giving a less importance to the influence emanating from the moneyed brotherhood, among whom comes first the Mitsui family. The easiness of the downfall of the liberal ministry of the Minseito, of which Baron Wakatsuki was the Premier, tells how strong are these two groups—the military clans of Satsuma and Choshu on one side, and the House of Mitsui on the other, once they join hands in the same effort —for example, pulling down an "undesirable" ministry.

In this article we will not describe the influence worked up by the military clique for the downfall of the Minseito ministry; our present task is to show, in a way, how the Mitsui House acted so as to bring about the downfall of the ministry, reaping huge profits in the meantime. For that purpose the leaders of the house armed themselves with the simplest and at the same time the most effective weapon —speculation in dollar futures, or they were selling the yen funds against dollars for future deliveries, which compelled the Government to keep on shipping gold to America, with inevitable publicity around this question, regarded as the weakest spot of the nation. Thus, while the military people were directing their attacks on the "weak-kneed" China policy of the Ministry, the financial group assaulted it on the gold standard problem, which, by the way, is one of the party planks of the Minseito. Although in the dollar purchases the Mitsui were assisted by other interests—for example, foreign banks, there is, therefore, no denial that the house and the military people worked in league with each other.

The Finance Minister v. Dollar Speculators

Apprehension of the stability of the Japanese gold standard was felt long ago, almost ever since it was introduced on January 11, 1930, but it became more pronounced after the outbreak of the Manchurian incident, when Japan's foreign trade dwindled to alarmingly low figures due to the Chinese boycott of Japanese goods and also continued gold shipments abroad. In view of this the yen exchange rate became more than erratic, so, in order to lift it up the Government was not only obliged to continue gold shipments but also to make several official announcements at home and abroad, namely, on September 25, October 20, and November 25, assuring that no fear should be entertained about the Japanese gold standard. In the meantime gold, as said, above, was flowing out unabatedly; out of her specie holding on January 11, 1930, amounting to Yen 1,135,854,000, she had on December 13, 1931, when she went off the gold standard, only, Yen 520,654,000; that is, she lost during the operation of the gold standard as much as Yen 615,200,000. However, even after the ban on the gold export she was obliged to conduct still more gold shipments, so her specie holding decreased on December 24, 1931, to as low a figure as Yen 469,495,000.

Because of the stated announcements of the Government officials at home and abroad and also the favorable turn of the atmosphere at the League of Nations, the exchange rate of yen began to soar, nearing the parity point of $49⅞. At this time the Government adopted one of the most effective weapons in its hands, which would have crushed the resistance of the dollar speculators, and among them the Mitsui interests, had at this time no military power stepped in, namely, it aimed at the forcing of the dollar buyers to cancel their purchase contracts or to come to a compromise with the Government. For this purpose Finance Minister J. Inouye adopted the following measures:—

(1) the absorption of call yen funds at home by the Yokohama Specie Bank, in view of which speculators found it extremely difficult to finance their dollar purchases;

(2) the restriction on the loans of the Yokohama Specie Bank for the dollar purchases, which was even spread to the subsidiary companies for the fear that the funds would be turned over to speculators;

(3) the rise of the official discount rate of the Bank of Japan, effected twice within a short period of a month, namely, on October 5, to 5.84% and November 6, to 6.57%;

(4) the prohibitive policy, adopted by the Yokohama Specie Bank on its sales of dollars, when one could buy the foreign exchange only for the purpose of covering the actual demand, that is to say, import bills.

All these measures tended to raise the money rates at home sharply, placing the dollar speculators and their Japanese leaders—the Mitsui interests—in a pretty tight hole, when they would have had no other way out than to give in, that is to say, to resell their dollar holdings at a disadvantage or to come to a compromise with the Yokohama Specie Bank. Here came in that magic stick in Japanese politics, when, by manoevring behind the scenes, among the highest of the land, the moneyed brotherhood forced a constitutional ministry out of power, in the meantime realizing at a stroke their dream—the suspension of the gold standard at the time when the yen stood at its highest point, being equal to 49.37 for 100 yen. "It is an open secret that certain interests are conducting dollar speculations on a large scale and that in order to lead their speculation to success they exercised their mighty influences upon politics", writes the *Osaka Mainichi & Tokyo Nichi Nichi* in an editorial for December 19 and adds "Had it, indeed, not been for their dollar speculation, there would have been no agitation to give up the gold standard. Their scheme bore fruit and they gained huge profits. The loss the country suffers from the suspension of the gold standard will prove very costly in the future. The speculators made money by sacrificing the national welfare."

The People Must Bear the Burden

And the Japanese people at large have to bear the results of this experiment. Already the prices of staples are soaring to high levels. Sea-bream, which was priced at Yen 22 per 83 pounds, was priced on December 22 at 55 yen; vegetables went up between 30 and 40 per cent.; dried bonito flesh also rose by 30 per cent.; fruits by 40 per cent. Enumerating these increases the same paper quoted above adds that "it is believed that the prices of daily commodities will further soar, threatening the existence of the people of the middle and lower strata of society", or—in other words—all classes of salaried people are affected by this depreciation of the national currency.

In striking contrast to the imminent suffering of the bulk of the populace comes the almost fabulous profit of a few moneyed plutocrats, the foremost among whom is the Mitsui family, headed by Baron H. Mitsui and their vizier—Baron Takuma Dan, managing director of all their interests. As stated above, in the exchange transactions alone they are reported to have earned no less than 50,000,000 yen.

Other winners were the members of the Japan Cotton Spinners' Association, which earned in a single night no less than Yen 17,500,000, being the increase in the price of their raw cotton holdings, which increased by at least 25 per cent. overnight. And they celebrated the unexpected fortune in a rather boisterous manner at Osaka, amidst a bevy of "the city's most beautiful geishas and floods of sake" headed by their President, R. Sato, of the Kinka Cotton Spinning Company, a subsidiary of the Mitsui interests. If no renouncing of the gold standard had taken place the Japanese cotton industry would have faced a serious problem, and the cotton spinners were seriously considering the question of applying to the Government for some sort of assistance.

The History of the House of Mitsui

The House of Mitsui counts several hundred years of history and came to the fore in the 17th century as one of principal exchange houses of Tokyo. Later, in the closing

years of the Tokugawa shogunate, they had acted as the financial agents for this clan, which they retained even after the Meiji Restoration of 1867. Just after the Restoration, when the country was still torn up by civil war, and therefore the central government was placed in a difficult position in every respect, the Mitsui were forced to float several loans for the government. One of these loans, amounting to 3,000,000 ryo had served as a Treasury fund. This connection later developed to the extent that the house was empowered to issue the so-called "treasury convertible notes" and the "colonization convertible notes", or—in other words—the family had taken up the functions of the state treasury.

This relationship lasted till 1872, the year of the promulgation of the National Bank Act, when the family interests were detached from the central treasury and when the Mitsuis, in conjunction with the Ono-gumi applied for permission to open a purely private bank. The permission was granted, as a result of which there appeared the First National Bank, a fore-runner of the present Dai-ichi Ginko, established in June, 1873, with a capital of Yen 2,440,800, of which each of the named families advanced Yen 1,000,000. However, it had been the Mitsui's dream to have a bank of their own and which would have centralized all their far-flung interests, so they prevailed on the Government to permit them to open another, this time purely private bank, free from any partnership. Thus in 1876 there appeared the Mitsui Bank with a capital of Yen 2,000,000, three-quarters of which was subscribed to by the Mitsuis themselves, and one-quarter by the employees and servants of the House.

Ever since its establishment the Mitsui Bank has been a progressing enterprise, increasing its capital several times and absorbing other interests. A further consolidation took place in 1898, when all the non-family shares were bought up, which ever since have remained in the sole possession of the family members or persons affiliated with them. In this connection a mention must be made of Baron Takuma Dan, managing director of all the Mitsui interests since 1894, a graduate of the Massachusetts Institute of Technology, U. S. A., to whose business foresight and shrewdness the family owes its present fabulous wealth and semidictatorial powers in the "back stage" of the Japanese Government.

The World War, which brought about so many fundamental changes almost in every phase of life, was a blessing for Japan in that she was enabled to develop her industries and foreign trade to unexpectedly high figures. In those hectic years, when the world powers abandoned their foreign and colonial trade and were engaged in a deadly struggle against a Central European combination, Japan enjoyed most prosperous times. Orders poured in from all sides, resulting in a veritable gold flood. Beginning from 1914 her foreign trade was increasing by leaps and bounds. Now it is calculated that during the four years of the World War she received no less than Yen 3,700,000,000 of foreign capital.

The Mitsui, having by that time a score of industrial and shipping enterprises under their control, and thus being placed in a most favorable position, received the lion's share of these profits. Their iron, cotton, sugar, etc. enterprises, having no foreign competition in home and foreign markets, have grown to enormous volume, bringing fabulous dividends. Up to 1919 the capital of the Mitsui Bank was only Yen 20,000,000, when in that year it was increased up to 100,000,000 yen at a stroke. Neither the panic of 1923, which followed the Great Kanto Earthquake, or of 1927, which came in the wake of difficulties of the Taiwan Bank, did not affect the house. On the contrary, they were responsible for a still further expansion of the house's interests, due to the liquidation of competing enterprises, or bringing some of them under the control of the house through the bank's long term loans, with the inevitable eventual conversion of said enterprises into securities and mortgages for the loans advanced. It is estimated that, together with the three other banking groups, namely, the Mitsubishi, Sumitomo and Yasuda, the Mitsui interests now control nearly 51 per cent. of the total deposits in the country, 74 per cent. of the total trust capital, and 26 per cent. of the total working insurance capital.

Mitsui Enterprises in China

Of special interest are the Mitsui enterprises in China, among which are two cotton mills in Shanghai, namely, the Shanghai Spinning Mill and the Shanghai Seizo Kenshi. Besides, the house has invested enormous capital in the river and coastal shipping, fire, life and marine insurance companies, import and export trade, etc. In Manchuria, the house controls the soya bean, the soya bean cake and the soya bean oil exports and in this respect it works in close contact with the S.M.R.Co., receiving from it substantial freight reductions, which are not of course being accorded to foreign and Chinese exporters. It would be of interest to mention that the house is one of the major shareholders of the S.M.R. Co. Thus, together with the Iwasaki family, owners of the Mitsubishi interests and which—by the way—represent financially the Tosa military clique, the Mitsuis are one of foremost capitalists of Japan and as such have been inspiring the imperialistic policy of the Japanese Government in recent years, including the present occupation of Manchuria.

Class Struggle in Japan

Side by side with the concentration of national wealth in the hands of a few comes the growing destitution of the working people as a whole, which has become especially pronounced in these years of depression. This fact, aided by the propaganda of the Third Internationale, has been responsible for the growth of the class consciousness of the Japanese working masses and the inevitable struggle by them against the two mainstays of the Japanese social structure—the military clique on one side and the financial on the other. In this connection, we cannot help quoting the following dispatch from Tokyo to the *Osaka Mainichi*, dated December 27, as an illustration of our statement:—

> "More than 100 men of the proletarian party, led by Chief Secretary K. Akamatsu and S. Abe, marched to the residenee of the powerful Mitsui financial clique's leader at 10 in the morning. The visitors came parading down the street in what looked like a demonstration in a labor dispute, singing the song of May Day. They, however, did not resort to violence, and insisted on meeting Baron Mitsui, while the police were flanking the demonstrators ready to grab them all should their actions tend to become disorderly. The demonstrators also demanded that the Mitsuis' takings from their dividends of the South Manchuria Railway stock should be donated to the Nippon troops in Manchuria. The baron through one of his employees replied that he is now confined to bed due to illness, and that an answer to the protest will be given to the representatives of the Minshyuto party on December 29 at the head office of the Mitsui Gomei Kaisha".

Two other bands ot organized working men on the same day visited Baron H. Iwasaki, head of the Mitsubishi interests, and also the residence of Baron Sumitomo, heading the interests of the same name, and demanded of them the renunciation of their profits earned in view of the forced suspension of the gold standard. And of course, without any success whatever.

We have further evidences of the growing dissatisfaction of the bulk of the Japanese nation with the present order of things at home, which, if allowed to brew, would come out in an open revolt. This is recognized by the Government and, if we shall view the present occupation of Manchuria from this angle, we will come to the conclusion that by a virtual annexation of Manchuria the Japanese ruling classes are postponing for an indefinite time the domestic revolution, a shadow of which has become more than discernible.

Mukden, January 5, 1932.

Pickets Jailed in French Concession for "Patriotic" Seizure

Judge Loo in the Second District Court (French Concession) January 6 sentenced Han Kwang-fu and Tung Shu-ping to four-months imprisonment each for their seizure of certain Japanese goods in a Chinese shop in the French Concession on December 20. According to the complainants, the two defendants had visited the Chun Dai General Provision Store at 177 Boulevard du Deux Republiques and assisted by nearly 30 men, transported away certain alleged Japanese goods to the amount of Tls. 5,000, without any legal measures. The defendants were also charged with carrying away with them an employe of the shop, who was released afterwards, it was stated.

Attorney T. Kyu, who represented the defendants stated that their clients were all patriotic members of the Anti-Japanese National Salvation Association and that their actions were merely to carry out the orders given by their superiors.

In concluding the case, Judge Loo ruled that the defendants were found guilty of violating others' liberty while carrying out their patriotic act, and that they deserved to be punished.

The Ultimate Nationality of Manchuria

BY W. D. ALLEN.

(*Lecturer on Current Events, at the Peiping National University*)

IN THESE critical times of invasion and of appeals to modern justice for the solution of Manchurian questions, we all think in terms of international politics, railway intrigue, and treaties. The following speculations look ahead to the "peaceless peace" which will follow the withdrawal of the present Japanese claims, the period which invariably brings greater problems than the actual struggle.

Paradoxical in our modern newspaper-informed life, is the fact that although thinkers and historians realize more and more the relative unimportance of battles and treaties of the past as compared with economic, cultural and social movements, yet the newspaper-readers try to take part in such highly technical matters as international law and the legal relationship of China, Japan and western nations to one another, while neglecting to familiarize themselves with the economic and social bedrock over which politicians and militarists talk and struggle. In the question of the ultimate fate of Manchuria, the present intrigues and threats of the Japanese and distant powers are not fundamentally guide-posts any more than past treaties, some twenty or thirty opportunistic public or secret arrangements between governments, were the foundations of Manchuria as it stands today.

26,000,000 Farmers and Artisans

You can look at Manchuria, at a mountain or at an idea from various totally different viewpoints. The literate classes in all nations are looking at Manchuria today through the spectacles of statesmen or journalists rather than through those of an economist or sociologist. It is probable that an illiterate Chinese peasant, if the situation were fully explained to him, would answer, "How absurd to think that the Japanese can take twenty-six million farmers and artisans away from China."

The danger faced by China as opposed to Japan at present is not China's or Manchuria's greatest danger or problem but merely a temporary disturbance whose result at the worst will be a stupid slowing-up in the development of Manchuria.

That strategic, railway and diplomatic points of view have been excessively stressed in relation to Manchuria's ultimate destiny is obvious to anyone glancing through a card index or bibliography. He will find Manchuria almost invariably viewed from without, in the same manner as Europeans have tended to view China. C. Walter Young says this in last year's issue of *The Annals* and goes on to discuss Manchuria as seen through the spectacles of an economist.

'There must be some other viewpoint" is the feeling of those who have tried to understand Manchuria through the wording of treaties, intentions back of railway construction, and appraisal of the land's coal, iron, wheat, soya bean, meat and lumber resources. The other viewpoint, which should be valued as preponderant, as over sixty percent of the force determining the ultimate fate of Manchuria is the quality and quantity of Manchuria's Chinese-race population.

Twenty-six to thirty million Chinese of the stable farmer, artisan and village-trader classes, are convincing to students who see how much more power the masses of a land such as the U. S. A. acquire every year, how much more an individual worker and buyer is appreciated and his potentialities cultivated today than ever before by political, financial or industrial leaders throughout the world. Capitalism, communism and all intermediate forms of political machinery are based at present on the same interest in and exaltation of the common citizen. A study of this Chinese population, the type which came, why they came, and what their prime desires in life are, is more useful to China than a study of Japan's legal claims. Such a study is needed. And yet the answer which more careful research will attain can be already stated. It is: *Japan will in any case lose out. Manchuria is fundamentally, organically Chinese, and will so remain whatever other nations state in treaties. The great future struggle is not between Japan, Russia and China but between provincialism and union within China.*

The quality as well as the quantity of these twenty-six million Chinese whose possession of Manchuria ensures Manchuria to China for future times, is important to assess. It has been relatively a neglected factor. But there are a number of articles informing us on this point. Here the only question discussed is: to what extent has the population a Pioneer Spirit and to what extent did it come merely because driven to despair, by misery at home? The emphasis which some American authors have put on the difference between these two forces, the lure and the push, exaggerates the difference between the ultimate effect of each on the quality of the Chinese population in Manchuria. Both of these forces have been at work in Manchuria and were at work during the growing period in the United States and in the British Empire. The Anglo-American pride in pioneer ancestry is similar to an individual family's pride in a distinguished ancestor—forgetting the lowly majority.

The Pioneers in Manchuria

But even the hundred percent pioneers of America would have been proud of the foundations of the present Chinese settlement in Manchuria. Those who came up the Liao River and struggled with the local Manchu aristocracy, and won the right to settle not by massacre but by patient highly intelligent diplomacy, are pioneers in all the best senses of the word. They cleared the forests and conquered hunting and grazing grounds for the farms which are now known as the Granary of Asia. The only difference between those who settled Manchuria during the last three hundred years, coming in waves whenever governmental regulations did not forbid them to do so, and western pioneers are differences in favor of Chinese permanence of settlement. Not only were they in world history almost uniquely peaceful in their conquest but the purpose for which they came, to farm, is a far more permanent basis of empire-building than the allegedly "pioneer lure" of gold, furs and spice-purchase.

In the last fifteen years immigration can be classed as pushed rather than pulled. But this does not appreciably lower the settler qualities of this last and biggest wave, roughly twelve million strong, which is claimed to be "the greatest migration in human history." These also were farmers and came relatively unburdened by deperdents incapable of work. They brought an organic proportion of women and children. The majority come from Shantung where Chinese patriotism was tested within the lifetime of these young settlers by the Japanese attempt to obtain control during the World War. Great numbers move from the ports northward, not only by train but by river, cart or on foot, showing a determination which is emphatically pioneer.

Meanwhile there are pioneer shiftings of population going on within the land, groups leaving ground they have cleared to newcomers and advancing to fresh lands in precisely the same spirit as kept Boone and the more adventurous types of American pioneers moving westward. Villages are occasionally abandoned because of epidemics or bandits, but not for long and the land fills so rapidly that there is danger of forest and grazing land being excessively reduced.

Russian and Japanese Attempts at Settlement

Japan and Russia have meanwhile done their best to settle Manchuria with their own people and have conclusively failed. Japan and Russia no longer hope for Manchuria as a true part of themselves. The hopes they had proved artificial and therefore failed; and now their claims, being artificial, are doomed to ultimate failure whatever statesmen and international courts of today have to say. Fortunately for everyone, China is favored by history and abstract justice; these allies of China are based on the validity of legal agreements which affirm "that Manchuria is an integral part of China" and on the invalidity of such stolen rights as obtained by Japan in the Twenty-One Demands. But even if technical definitions and Russian and Japanese "special position" arguments were convincing, the argument of Chinese population would be overwhelmingly more so. Not only has this population proved its hardy capacity to thrive in the Manchurian climate, to adapt clothing, housing, crops and social organization to the new needs, but it has come with and preserved a peaceful pioneer spirit which is the ideal basis for permanent and powerful occupation of an undeveloped land.

Given such colonizers, there is no fear of Japan being able to control Manchuria for long. The present difficulties are based on the desire for home supremacy of the military element in Japan, which is always open to defeat not only by foreign boycotts, opinion or intervention, but by public opinion in Japan. Japan can at most obtain a

little more military and political control than it had in Manchuria before the recent militarist coup. It cannot change the robust, race-conscious Chinese peasants any more than it could Japanize the weaker, demoralized Koreans. Korea and Formosa have not become very profitable colonies or very happy homes for their landsmen or for the Japanese although Japan has had many years in which to organize these lands according to its heart's desire. Basing its claims on a tottering militaristic machine and on the plea of invested capital, Japan cannot hope to control development of twenty-six million Chinese in Manchuria.

Japan's efforts to exploit the country and to help its inhabitants become better buyers may deserve a return of gratitude just as a hungry man is grateful for a restaurant within walking distance or a laborer in America is grateful for a job. This gratitude may become a reality in the form of sympathy with Japan in case of an earthquake or an attack by Westerners on the Japanese Islands, but never in the form of desire for Japanese control.

The race consciousness of this Chinese population in Manchuria cannot but be strengthened by Japan's exploitation and efforts to raise standards of living and purchasing power. These de facto occupants of the granary of Asia will soon be able to contest Japan's aggressive intentions without any help from Old China. If world opinion or China does not suppress Japan's aggression this year, Manchuria or in other words the Chinese of Manchuria will do so in the near future.

The Need for a Program of Chinese Publicity

The greatest problem facing China in Manchuria today is not foreign aggresion but the influences in favor of separatism, local provincial feeling, which conflicts with the pride of race, the common language, love of country and appreciation of the economic utility of union. All these forces are present and their relative weight is largely controllable by China's education of the Manchurian Chinese to love of union, centralisation, language, pride in the Chinese Revolution and its ideals, and closer contact with the great commercial and intellectual Chinese centers. The better organized such a publicity reproachment program, and the more positive and constructive its aims the less will there be any need for destructive negative publicity against Japan and other opponents.

Foreign writers speak of Manchuria as a land of hope in which the Chinese may build a new type of civilization, rapidly modernizing, unhindered by the loads of age which other regions of China must bear. This is not only true in an engineering and trade sense but in the physical and mental make-up of the population. These latter effects, so much less amenable to statistical measurement than machines and exports, are yet far more vital to the ultimate destiny of Manchuria. It is probable that this population, based on the soil and gradually increasing its industrial activity, based on a feeling of hope which every rich undeveloped land gives, gradually coming to a realization of its powers as a mass, will have characteristics differing widely from the provinces from which it emigrated. The colder climate and change of food will increase this physical and mental difference. If the Japanese and Russians still have ambitions in fifteen years, they will be opposed by more brutal arguments than they now face.

The Trend Toward Aggressiveness

The Chinese race will undergo in Manchuria a change toward aggressiveness and will probably become the "fighting peoples" of China. It is extremely unlikely that they will compare with many Western peoples in aggressiveness and they will surely remain defensive soldiers (like Russians in most historic periods) rather than cultivate the idea of conquest such as is encouraged in Japan. They will bring a new and valuable element to Chinese internal affairs, unless the forces tending to exclusive autonomy as a region apart from China Proper prove stronger than those of union.

The ideal method for increasing in these Chinese pioneers the feeling of unity with the rest of China is to increase the strength and prosperity of China at home. If the U.S.A. had not been a "successful" country as a nation, regions such as California would have seceded and Texas would never have wished to join the Union. There has frequently been a perceptible local patriotism in U.S.A. which might have easily risen to political secession had not the ideal of union proved stronger by dint of practical "success". Thus history will probably consider that Chang Hsueh-liang did a greater service to China and incidentally to the ultimate destiny of Manchuria, by "weakly" referring matters to Nanking, than he would have done (even in case of its practicability) by showing a strong hand himself. No one wishes to belong to a weak organization. If the central government can impress on the population of Manchuria the pride of race and the advantages of being not only racially but in every respect a part of China, then whatever movements for autonomy may have been launched by the Japanese or by the normal desire for self-control which all pioneers have, will die out not by force but by a natural death.

This problem of the ultimate destiny of Manchuria: whether it is to be independent of China and all other nations, or an integral part of China, is to be faced as soon a temporary conciliation with Japan has been affected. There is no question of the admirable quality of the twenty-six million whose character, physique, social organization and number make Japanese, Korean and Russian minorities lose all importance in considering the ultimate destiny of the land. The greatest probability is that this population will automatically become a more and more loyal element whose progressive qualities will help considerably in the speeding up of national reconstruction and the sanitizing of national politics. The slightly lesser probability, but which patriotic organizations and far-sighting Chinese must face and combat is, that a feeling of local Manchurian pride will be built up and a buffer state created. If conscious of this danger and of the fact that the enemy is a certain phase of human nature rather than Japan or Japanese propaganda, the Chinese will be able to counteract it before it becomes powerful.

This aim can be reached by business-like stimulation of commercial intercourse between Shanghai and Manchuria, cultural intercourse between Manchuria, Peiping, Nanking. There must be more reliable and attractive news from China in Manchurian newspapers, help to improve their journalistic methods, simplification in the teaching of the Chinese language (but *not* a departure from the ideographs) an encouragement of greater interdependence by means of agents and publicity of provincial chambers of commerce. In short, China must advertise herself in Manchuria much more intensively than in the past.

Peiping, January 11, 1932.

World Consumption of Silver in 1931

Handy & Harman, New York silver brokers, estimate the world's total consumption of silver during the year 1931 at 255,600,000 fine ounces, made up as follows:—

	Fine Ounces
India	57,000,000
China	59,000,000
Germany	28,200,000
United States and Canada (arts and industries)	30,500,000
England (arts and industries)	10,000,000
Mexico (arts and industries)	1,000,000
United States (coinage purposes)	2,400,000
(Consumption unaccounted for; partly represented by larger stocks in New York London and India)	67,500,000
World's Total Consumption	255,600,000

Handy & Harman estimate the total world output of silver last year at 196,100,000 ounces, with an additional 59,500,000 ounces supplied by demonetised coin, making total available supplies 255,600,000 ounces.

The Silver Situation in India and in China

Sales of silver by the Government of India may cease, Messrs. Handy & Harman believe, as a result of the departure of sterling from the gold basis. Formerly, sales of silver by the Government of India were stated to have been necessary in order to help maintain the legal gold ratio of the rupee; but the necessity for maintaining this ratio has now disappeared, at least temporarily, with England's suspension of the gold standard.

Due to political uncertainty, trade stagnation and lower prices abroad for her products, India's consumption of silver during the past year declined by about 40 per cent., the estimated total being 57,000,000 ounces.

China's consumption of silver dropped by 52 per cent., the total consumption during the past year including Hongkong, being estimated at 59,000,000 ounces.

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How to Boycott Japan

From "The New Republic" (Dec. 2, 1931)

IF JAPAN should wage long continued and avowed war, whether with China or with Russia or with both, it would be difficult to avoid the conclusion that she had brought about hostilities in violation of three of her solemn international obligations—the League of Nations Covenant, the Kellogg-Briand Pact, and the Nine-Power Pacific Treaty. If this occurs, there is bound to be a strong demand for the application of economic sanctions—indeed, that demand has already raised its head. The United States, to be sure, is not a member of the League, but she is a signatory of the other two treaties, and it will be asked insistently whether she will be content to watch them torn to scraps of paper without more than verbal objection.

The New Republic has, ever since the last War, opposed the project of attempting to maintain peace by the application of sanctions, whether military or economic. Here we do not intend to discuss the subject in general, but to examine the practicality of such proposals with relation to the existing crisis.

An excellent and scholarly work on Japan's economic situation, by Dr. Harold G. Moulton of the Institute of Economics, with the collaboration of Mr. Junichi Ko, chief of the Economic Research Department of the Bank of Japan, has recently been published by the Brookings Institution. This book, entitled "Japan," confirms the generally accepted conclusion that Japan's economic life depends heavily on her foreign trade. She has so large a population in relation to her arable land that she does not wholly feed herself, and it would be out of the question to maintain anything like her present standard of living in other respects if she were forced to be self-sustaining. Of Japan's total foreign trade, nearly 36 percent is with the United States, which bulks larger in the figures than any other nation. Next in line is China, with 12.8 percent; this part of Japan's commerce is already well on its way to extinction on account of the Manchurian difficulty. But trade with the United States is even more important than these crude figures imply. Raw silk constitutes Japan's chief article of export—it makes up 36 percent by value of all she ships out—and 97 percent of her rawsilk exports come to the United States, Japan in turn receives from us 40 percent of the raw cotton which she manufactures into cloth. The export of this accounts for much of her sales, not only to China but to British India, her third largest customer.

Boycott Would Be a Boomerang

An embargo placed by the United States on all exports to and imports from Japan would therefore ruin her in short order, even if no other nation acted. Such an embargo would also injure this nation greatly—so much, in fact, that it hardly comes within the realm of practical politics. In a time of depression, with a huge cotton surplus and a silk industry in difficulties, we should scarcely be ready to make this sacrifice for the sake of any interest we may have in Asia, or for abstract international justice.

Japan normally imports from us also a considerable amount of steel products. Her iron and steel industry has been subject to a forced development, but it supplies only 60 percent of her total wants because she carries it on under a disadvantage. She has only small deposits of iron. Most of her ore has to be imported—from Manchuria, China or the Malay Peninsula. Manchurian ore is of low grade and expensive to work. The other sources are far away, and shipping charges add to the cost. Japan also has a shortage of good coking coal, though her coal supplies are large in the aggregate. In case of a major war, even with complete military control of Manchuria, Japan would probably need to expand considerably her imports of steel and steel products, not to speak of many other military necessities. It might be proposed, therefore, that we place an embargo on the sale to Japan of steel and other essentially military supplies. But it is probable that no such embargo would be necessary, for the following very good reason.

Japan's finances are not in the best of shape. Dr. Moulton demonstrates that the accounts of the national government, if properly interpreted, show an almost continual excess of expenditures over receipts for many years, with the exception of the period of the World War. The deficiency has been made up by borrowing. The government debt has been rising every year from 1918 to date, and in recent years it has been rising rapidly. So serious has the situation become that the present civilian administration resolved, before the outbreak of hostilities, to make a heroic effort to balance the budget and cease borrowing. And Dr. Moulton shows that in order to achieve this end military expenses would have to be reduced. In very recent years they have amounted to about $250,000,000 annually, or considerably more than a quarter of the total national expenditures. Of course a war would knock this policy galley-west, and make necessary huge increases of government borrowing.

There is little doubt that Japan could float large internal loans for war. But that would do her no good in paying for purchases abroad. A nation can buy outside her own borders only by giving goods or gold or services in exchange—or by selling securities in foreign countries. The goods and services which Japan is now able to export barely pay for her peacetime requirements. Normally, she has an adverse trade balance. Her deposits in foreign banks are small, and she owns few foreign investments to depose of—most of what she has are in Manchuria and China; half of them are tied up in the South Manchuria Railway itself. Japan would be compelled, in case of a war, to finance it by borrowing money in this country and Europe.

The Question of Japan's Credit

Great Britain and Germany certainly are in no position to extend new loans to Japan. France might do so, but she has increasing financial troubles of her own. Our government would lend no money to Japan and would scarcely encourage such lending by others for war purposes. Our citizens have become disillusioned about the safety of foreign loans, especially to nations involved in war finance. And what would be thought of Japan's credit if she embarked on a desperate adventure?

Japan is already a debtor nation. The net foreign debt of her national and local governments and of private institutions is now about 800,000,000 yen. The ratio of her per-capita foreign debt to her per-capita wealth is considerably larger than that of Italy, France or Great Britain. It would, writes Dr. Moulton, "be distinctly unfortunate if the foreign indebtedness continued to increase." This judgment was rendered in relation to peacetime fiscal operations. But if Japan placed her future financial security in serious jeopardy by largely enhancing the domestic obligations of her government, by completing the ruin of the Chinese market, and by getting herself into such a precarious situation in Asia that greatly increased military expenses would be necessary in years to come, for self-protection, if not for holding conquered territory inhabited by subject peoples, any loans she might get abroad would be almost certain in the end to be defaulted. Only criminally reckless bankers would underwrite them, and only insane investors would buy them. Indeed, it is likely that Japan's operations in Manchuria so far have already injured her foreign credit beyond hope of repair for a long time to come.

We need impose no embargo to prevent Japan from carrying on war. The embargo on war supplies will be self-effected, because Japan connot fight without borrowing from us and, unless we are downright fools, she will be unable to borrow. All the world—except possibly Japaan—is now learning by bitter experience that military adventure does not pay in pounds, dollars, francs—or yen. And Japan, with her alarming growth of population, her limited resources, and her need of devoting all her energy to enlarging foreign markets for manufacturers, is likely to learn this by an even harder lesson than the rest of the world, unless she promptly makes a right-about-face.

China's Salt Receipts Hit New Record---$165,000,000 During 1931

According to information from a reliable source the gross collections throughout China during 1931 by the Inspectorate of Sale Revenue amounted to $165,000,000, which constitutes a record since the service was established in 1913, the average receipts for the 18 years from 1913 to 1930 having been $80,000,000 and those for the three years from 1928 to 1930 having been $127,000,000.

Between the spring and autumn of 1930, civil strife stopped all means of communication as well as in several important districts. Nevertheless the salt revenue collected in half of 1930 exceeded the collection for the same period in 1929.

As for 1931, the condition in the country was further improved, but in the latter half of the year there was a disastrous flood in the salt producing and salt consumption districts. In spite of the flood menace, the salt revenue was increased purely through the efficiency of the administration.

Another Comment from U.S.A. on Eva Chow's Article

To the Editor, *The China Weekly Review*:—

Miss Eva Chow's article in the issue of *The Review* of October 24, telling of the organization of a "Woman's Anti-Japanese and National Movement" fills one with mixed emotions. At the October 4 meeting there were passed a number of resolutions,—the first being concerned with the "unification and pacification" of the country; the last, a suggestion that the women of the country organize a volunteer corps. . . . for those physically strong enough to be ar arms". These two resolutions would seem practically to nullify one another,—at least to a Westerner who lived through the (wrongly called) Great War and knows that instead of bringing peace and unification to the world, this war—the greatest crime of our century—has sown the seeds, possibly, of a conflict that could conceivably destroy Western civilization. With modern engines of warfare—poison gases and bombs, with aeroplanes to distribute them over wide areas—with all this, it must be understood, that the next war will make the war of 1914 a matter of relatively small importance.

At a time when men who have been firm believers in the efficacy of physical force are beginning seriously to question its power; at a time, too, when the victories won by Mahatma Gandhi of India, by the use of the technique of non-violent resistance, have turned peoples' minds even more definitely away from brutal, bloody warfare,—at such a time, the resolution of Chinese women to make themselves a part of the world's war machine is shocking in the extreme.

With the economic life of the West definitely dislocated, to a greater or less degree (save only in Russia—and a few of the smaller countries of Europe that succeeded in staying above the battle from August 1914 November 1918), with men standing in breadlines in England, Germany and the United States and unemployment increasing day by day,—this being a part of the to-be-expected aftermath of the late war—can Miss Chow and those who read her article wonder that the last of the five resolutions in question has shocked some of us? A few of us knew from the beginning that this war would settle nothing: we had taken to heart the words of a man who lived long ago and said: "He that taketh the sword shall perish by the sword". We look upon Germany and England today—the victor and the vanquished—with a sadness too profound to admit of any "I told you so."

The writer of this was one of those (at the time, much maligned) "pacifists," and she begs to remind Miss Chow and those who think as she does, of the words of one who is widely known as the greatest man in the world today,—Gandhi of India. He has told us that

> ". . . . the brute knows no law save that of physical force,—that the soul of man demands adherence to a higher law, the strength of the spirit."

Akhnaton, Lao-tze, Isaiah, Buddha, and now Gandhi, all with the same message! The only practical teaching that the world has heard! Is China, of all countries to remain deaf to the wisdom, the beauty and the efficacy of it? If such be the case, then woe be unto all of us!

BLANCHE WATSON.

39-a Gramercy Park, New York City, Dec. 10, 1931.

If You Want Chop Suey Don't Go Hunting for it in China, Warns Rogers

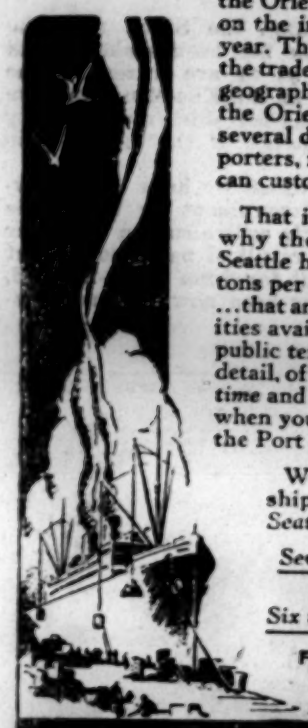
ON BOARD THE PRESIDENT TAFT, Pulling out of Shanghai December 30, to the *Japan Advertiser*.

This Shanghai is a knockout; it's Brooklyn gone English. Say, where did they get this Chinese chop suey stuff? I have run the legs off every 'riksha motorman in China, and nobody ever any more heard of it than Nevada did of Volstead. Another hoax was that a Chinaman's word was as good as his bond. Well, that goes with chop suey. That might have been in the old days, but not since the missionaries and business man come in. Chinese are just as human as anybody now.

Yours,

WILL ROGERS

A Pleasure, INDEED!



SEATTLE enjoys her trade with the Orient...which, incidentally, is on the increase, and growing every year. This port particularly enjoys the trade of the Orient, because her geographic position with regard to the Orient is unique (a saving of several days) pleasing shippers, exporters, manufacturers and American customers.

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Economic Reconstruction—China's Great Need

BY CHEN KUNG-PO
Minister of Industries

(Reprinted from the People's Tribune)

RECENTLY, the Kuomintang, the State, nay, the Chinese nation as a whole has been shaken to its very foundation. Being as we are citizens of the Chinese Republic and members of the Kuo-Min Tang, we can certainly not shun difficulties nor shirk responsibility at a time when the very existence of the nation is in danger.

Moreover, the main object which we have been striving to attain is a democratic government for the people and the realization of democratic centralization of power within the Party. While, as a result of past and present complications, this object is still far from being realized, its accomplishment has however been now rendered possible. Whether we shall be completely successful or only partially depends on how far the people and the comrades are determined to fight for it.

Mr. Chen Kung-po, Minister of Industries

The Road To Salvation

It is for attainment of this now realizable object, for the overcoming of the present national difficulties and finally, for the rebuilding of the foundation of the Party and the nation that we have assumed, without hesitation and in a spirit of selfsacrifice, this colossal responsibility. In short, it is in a supreme attempt to lead the nation to salvation that we have come to the Capital.

In my opinion, there are three possible means of attaining national unity, firstly, by armed force, secondly, by political means, and thirdly, by economic reconstruction.

Military Force

Military force, though it may bring about a temporary and transient unity, can never have permanent and lasting effect. For the comparative weakness of the Revolutionary army in China as well as the limited resources at its disposal have rendered the complete annihilation of our enemy a virtual impossibility. Recourse must therefore be had to such tactics as may bring about a weakening of our enemy's strength. Enemy forces have therefore been taken into our fold and incorporated in the Revolutionary army.

The result has been that the Revolutionary army, being overwhelmed in numbers by the counter-revolutionary (incorporated) forces, has in its turn become perverted into reactionary forces, or at any rate, been considerably weakened. When another testing time came, this weakened and polluted Revolutionary force could not escape total collapse and disintegration. This is a fact to which our recent history has borne eloquent testimony, and for which we must hold ourselves responsible.

Much Internal Strife

Secondly, let us see whether it is possible to attain lasting unity through political means.

Now, politics is essentially the reflection of the prevailing social institutions. Since the Opium War of 1840, the Chinese society has degenerated into a state of glaring incongruities—the century old feudalistic system has been struggling desperately against the modern State while the primitive economic structure of the country, still lingering in the agricultural stage, has found itself powerless to deal with the influx of machine-made products.

The foundations of Chinese society shaken, the thoughts and morals of the people present violently contradictory tendencies. The social structure having thus collapsed, the political organization has been left without a sound foundation. Every form of political organization has been experimented with—what with parliaments, constitutions, unification by force, regional confederations—but none has proved effective in producing a stable and unified government.

Economic Reconstruction

It is therefore only through economic reconstruction that real and lasting unity can be effected.

My one object is, as has been stated, to achieve national unity through economic reconstruction. Now, in present-day China, when there is not even the semblance of organization and collective effort, it would be idle to attempt the mobilization of Capital and Labor.

Moreover, at a moment when foreign aggressions are so pressing and when civil strife has just been liquidated, it would be equally futile to hope that foreign investments will be available at least for some time to come.

I should like therefore to disclose to you today what I consider to be the minimum requirement, namely, the building up of a center for heavy industries within a period of five years. As for the location of this center, there can obviously be no more suitable place than the rich Yangtsze Valley.

Large Power Plant

My plan is somewhat like this. In the first place, a large scale power plant is to be built in the upper reaches of the Yangtsze. In the meantime, I hope that the various trunk railway lines in the South-East,—namely, Nanking-Hankow, Hankow-Canton, Canton-Foochow, and a line along the Chekiang coast,—will be completed within the next five years.

The construction of such a power plant will facilitate considerably the building up of this proposed industrial center as well as the development of private small-scale industries, while the completion of these south-eastern trunk lines will serve not only to wrest the economic and industrial power from foreign interest but also stabilize the political position of Nanking as the National Capital. With such a radiating center built up, the foundation for the economic structure will be firmly laid. Political organization, which is nothing but a replica of the social structure, will also become stabilized.

Outlet For Raw Materials

Moreover, since the rich raw materials in the North-West and the region north of the Yellow River will have an outlet in our own manufacturing center in the Yangtsze Valley, the economic relation between the North and South will also be firmly cemented. This, without having recourse to the use of force, national unity will be achieved through mutual economic interdependence. This is the result of my close observation during the past few years and represents also my main desire during these years.

I have consistently maintained the view that in such a quasi-colonial State as China, Capital must receive the same measure of protection as Labor and that they must be promoted and developed side by side. Whatever may be the opinion of my fellow countrymen—whether concurring with me or dissenting from me, I will never depart from this basic principle.

Foreign Capital

In a country of such dire poverty as China, we should not hesitate, in order to develop our industries, to welcome foreign capital. If we are prepared to welcome even foreign capital, how much more do we welcome and wish to protect our own capital?

In the present-day China, we must not only encourage the investments of our compatriots, and give them every facility for the development of private industrial enterprises, but also create in them a spirit of reconstruction. While I am not of the school of Adam Smith, I firmly believe that if China is to emancipate herself from her present state of economic servitude,

there is no other way than to give the people every opportunity to carry on their reconstructive activities. We are not merely indulging in lip-service, but are earnestly trying to re-build the nation.

Working Conditions

As regards Labor, it has been the settled policy of the Kuomintang to protect and better the condition of the working classes. The reasons for such a policy are obvious. Now, in the first place, the development of Capital depends upon that of production, while the latter depends in turn upon the increase of the consuming power of the people. If the working classes should find it difficult even to eke out a bare subsistence, how can they be expected to increase their purchasing or consuming capacity?

Secondly, we cannot rely solely upon Capital for the production of wealth. Labor is also an important and indispensable factor of production. If the working classes are condemned to live under conditions which deny to them even the enjoyment of normal health, their productive efficiency will be seriously impaired. Finally, the progress of a nation depends to a large extent upon the individual development of the people. A high standard of living should therefore be secured for merchants, laborers as well as peasants, for only so, can the fullest development of their mental and physical faculties be ensured. It is only when the people are in possession of sound mental and physical faculties that the life of a nation can be perpetuated.

Definite Program Needed

One may hold me up for ridicule for having turned into another Alexander Hamilton. But at this moment, when China is on the verge of extinction as an independent State, I would rather prefer being a realistic Hamilton than an utopian and impractical Revolutionist.

I have thus explained briefly my object, my feelings, my hopes and my policies. But even this minimum hope is not one which can be realized at one jump, nor can it be successfully accomplished by the mere handful of Government officials. I hope that the entire nation will give their whole-hearted support to the Government, and to me, in building up, within the shortest possible time, the rudimentary foundation of the nation.

If only we can fix a definite time-limit and draw up a definite program, it is my belief that in the realization of this will be found not only the solution of the various problems now confronting China, but also the building up of an ideal China in the future.

Anti-Japanese Spirit Manifested in New Year Gifts at Kaifeng

(Special Correspondence)

Kaifeng, Honan, January 6.

The New Year's gifts of the Kaifeng people for their friends were mostly anti-Japanese pictures, national humiliation maps, and maps of the Three Eastern provinces. On the New Year's cards, the national salvation creed, anti-Japanese slogans, and anti-Japanese goods posters are printed. The people paste the anti-Nipponese posters at the front gates instead of using scrolls, as formerly.

As all the government organs were instructed to observe no holiday at the New Year Festival, all the government officials carried on their duties as usual. At the military drill ground a military review was held, which all the high military officers in the city attended.

Big Discoveries in Central Honan

A large quantity of ancient art relics was recently discovered at Pu-tai-chung (Hsiangcheng Hsien region in Central Honan). The principal ones were two bronze mirrors, an ancient basin, a bronze lamp-stand, a tripod with two ears, and many others. The Provincial Government has instructed the magistrate to transport it to the Honan Museum for preservation.

Commerce Greatly Affected

Due to the heavy flood during last summer, commerce in Honan province has been greatly affected. In Kaifeng there are about 2,000 shops. Twenty of them closed their doors at the end of 1931. Several tens more will probably go out of business at the end of the present Chinese year.

Educational Commissioner in Trouble

Li Ching-tsai, educational commissioner of Honan province and concurrently a member of the executive committe of the provincial Kuomintang, is in difficulties as the students and the Kuomintang members are trying to humiliate him because of his tyrannical procedure manifestoes against, Commissioner Li have appeared frequently in the city during the past few days.

"The Seaboard Route to the North"

Travel on The

Peiping-Liaoning Line

Starting at Peiping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peiping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chiuchow the railway follows the line of the Gulf of Chihli, passing through Shanghaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peiping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peiping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peiping-Hankow Railway and with the Peiping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Traffic Manager

Peiping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

In the Fields of Finance and Reconstruction

Customs Revenue for 1931 Amounts to Tls. 248 Millions

According to a report in the *North China Daily News*, the Chinese Customs revenue for the year of 1931 amounts to approximately Haikuan Tls. 248,000,000. This is considered as an extremely gratifying result, as the estimate for the year was only Haikuan Tls. 240,000,000.

Nanking Orders Establishment of Four Coal Yards

The Executive Yuan, in an order to the Ministry of Ministry of Railways, instructs that coal yards be established at suitable sites in Pukow, Hankow, Tangku, and Sinho (Hopei) to facilitate the storage of coal intended for transportation. Reopening of the special wharf at Tsingtao for the loading and unloading of coal is also ordered.

Trains Must Run Per Schedule, Railways Ministry Orders

In view of the frequent train delays on various government railways, the Ministry of Railways, in an order issued on Jan. 9, instructed that strict adherence to all running schedules of trains be observed so as to maintain efficiency in railway communications. All railway officials in charge of traffic are instructed to pay special attention to this matter, especially in the case of express trains.

Adverse Balance Marks Opening of Japan's Foreign Trade for 1932

The foreign trade of the 16 principal ports of Japan during the first ten days of January resulted in an unfavourable trade balance for Japan of Y.6,708,000, according to a *Rengo* telegram from Tokyo on Jan. 9. In this period goods valued at Y.7,619,000 were exported from Japan while imports were valued at Y.14,327,000. Beginning from January the three ports of Tokushima, Taketoyo and Ichizaki were included in the principal ports of the country.

Kiangsu Authorities to Collect Tax Directly

The business tax in Kiangsu province will be collected as January 1 of the present year directly by the authorities instead of through the various chambers of commerce or guilds as was the practice in the past year, according to a decision of the new Kiangsu Provincial Government. Owing to the many discrepancies which crept into the former system of collection, the Provincial Government has drafted a set of measures with a view to eliminating defects. It has also been decided that all payments of the tax in arrears for the last three quarters of the previous year shall be settled immediately.

Huang Arranges New Loan of $48 Millions from Local Bankers

According to a *Kuo Min* dispatch from Nanking Mr. Huang Han-liang, the newly-appointed Minister of Finance, is arranging a new public loan of $48,000,000 from Shanghai financiers to be secured on the unissued portion of $80,000,000 20th Year Short Term Currency Bonds. This amount, together with the regular income of the Government, is expected to be able to tide over the present financial emergency of Nanking. It is understood that negotiations are proceeding satisfactorily between Minister Huang and the Shanghai bankers.

Lin Presides at Troop Bonds Drawing

Presided by Mr. Lin Kang-hou, vice-Minister of Finance, the 6th drawing of the 18th Year of Troop Disbandment Bonds to the amount of $2,500,000 was held at the Bakers' Association on Jan. 9. Mr. Lin stated that the total amount of the Troop Disbandment Bonds was $60,000,000. Five redemptions have already been made during the last two years and the present redemption amounts to $2,500.00 and the drawn bonds may be cashed by the end of this month at the Central Bank of China, The Bank of China and Bank of Communications. The drawn numbers are: 06, 37, 78,88, and 98.

Anhwei to Organise Conservancy Committees in Flood Districts

For the purpose of repair of dykes and dredging of waterways, the Anhwei Provincial Government has ordered the organisation of Conservancy Committees in various districts in the province affected by the floods last year. This action is taken in accordance with a resolution passed at recent conference of District Reconstruction Commissioners which calls for the organization of such Committees to direct conservancy work in order to expedite the rehabilitation of the flooded areas.

Nanking-Berlin Air Service to Be Inaugurated This Spring

The new airmail and passenger service of the Nanking-Berlin Airway, which has been planned by the Eurasia Aviation Corporation, is expected to be inaugurated sometime this Spring, as soon as cold weather season in the North-west has passed, according to officials of the Corporation. Li Chung-sung, director of the operations department of the company, returned to Peiping on Jan. 8 after a successful flight to Ili, western Sinkiang, and back. Mr. Li, on his return trip, stopped for a short time at Hami, Josuiho, Kueihu and other cities en route.

Shortage of Coal Feared as Cars Commandeered for Troop Transportation

Shortage of coal from the Kailan Coal Miles threatened in Shanghai as a result of lack of freight cars for the transportation of coal due to the fact that majority of the trains along the Peiping-Liaoning railway line have been used for troop transportatien necessitated by the withdrawal of Chinese troops from Chinchow area.

The native Coal Dealers' Association, in a telegraphic petition to the Ministry of Railways, urges that in view of the threatened coal shortage, special steps should be taken by the authorities to despatch freight cars to other coal-prodocuing regions where coal may be transported to Shanghai to meet local demands.

New Market on Peking Road is Modern and Sanitary

The new Peking Road Market, east of Fukien Road, which was completed last year, was open to public use on Jan. 2. It is considered as one of the most modern and sanitary markets in Shanghai, according to municipal officials. Among the features of the market are allowances for uninterrupted light, two floors of concrete, slab construction and provision for two more floors, when conditions require them. On the ground floor, there are four shops and 76 stalls, while the second floor has 239 stalls. A special landing on the Soochow Creek side of the building allows farmers to bring their wares to market without obstructing traffic. An excellent drainage system has been installed so that no water can collect on the floors and stalls are so arranged that passageways are left clear.

Possibility of New Airmail Line in Hupeh Looms

Opening of a new regular mail and passenger line between Hankow and Laohokao, in northern Hupeh, is being considered by the authorities of the National Aviation Corporation after a successful trial flight between the two cities undertaken by W. L. Bond, vice-President of the Corporation and Capt. E. Allison, well-known American airman. Mr. Bond and Capt. Allison covered the distance of approximately 200 miles in a Leoning amphibian plane. They took off from Hankow at 9.45 in morning of Jan. 7 and arrived at Laohakao in less than three hours. After spending one day in making plans for construction of an air depot, the officials returned to Hankow. The line originally was planned to extend to Sian provincial capital of Shensi. The test flight, however, only covered the distance to Laohokao as it later transpired that the latter city is the center for all mail matter from Shensi and Kansu and other northwestern provinces. at present, Laohokao can only be reached from Hankow by motorboat, The distance of 200 miles usually is done by a boat in one or two weeks. The airline, when started, would greatly shorten the distance and the time required for transmission of postal matters.

Finance Commission Reorganised With Commission of Former High Officials

Marked by the omission of Gen. Chiang Kai-shek and Mr. T. V. Soong, the National Finance Commission which was created by the outgoing Nanking administration of Gen. Chiang, has been reorganised in pursuance of a decision of the new National Government. The Commission is charged with budget, taxation, bond and other matters. There are 38 members on the Commission and the standing committee of the reorganised Commission includes Gen. Chen Min-chu, (Minister of Communications), Gen. Ho Ying-ching (Minister of War), Mr. Huang Han-liaing (Minister of Finance) and number of influential bankers in Shanghai.

$5,000,000 Needs for Conservancy of Grand Canal, Ku Estimates

Since his assumption of the chairmanship of Kuangsu Provincial Government, Gen. Ku Chu-tung has taken active steps for the conservancy of the Grand Canal, the source of the recent flood in Northern Kiangsu. with object of safeguarding this province from being flooded again in the future. Gen. Ku has ordered that the new engineering work must be accomplished by March, otherwise during the present year, many districts likely continue to be under water and exposed to the activities of Communists and bandits. According to Gen. Ku, the construction work will cost at least $5,000,000, which is to be secured from the Central Govornment and the Chinese bankers. It is expected that the proposed construction work will be instituted immediately.

Foreign Capital and Experts to Be Utilized in National Reconstruction

According to a *Kuo Min* telegram from Nanking, the National Government will shortly appoint a commission of experts to draw up detailed plans for the carrying out of the resolutions adopted by the 1st Plenary Session of the 4th C.E.C. calling for the utilization of foreign capital and foreign experts in the economic reconstruction of China. The proposed commission will be composed of experts in industry, agriculture, railways and water conservancy. It is understood that the new Minister of Railways will submit a comprehensive program for the construction of a network of new railways in China. This program has been formulated in accordance with the "Plan for the Industrialization of China" formulated by late Dr. Sun which calls for the construction of 100,000 miles of railway as the principal means of developing the country's economic well-being.

Japan's Foreign Trade Returns for 1932 Published

According to an official announcement made by the Japanese Ministry of Finance in Tokyo as carried by a *Rengo* dispatch on Jan. 6, the exports of Japan up Dec. 25, 1931 amounted to Y. 1,124,456,000, while the imports were valued at Y. 1,203,751,000. Compared with the return for the previous year, imports show a decrease of Y. 326,275,000 or 22.5% and imports Y. 326,636,000 or 21.3%. The amount of excess imports shows decrease of 4.5% from Y.79,656,000 of last year.

The movement of Gold for 1931 up to December 25 is announced as follows:

Exports from the interior Y. 421,539,000, from Korea Y. 22,000, Formosa nil, totaling Y. 421,561,000.

Imports to the interior Y.11,177,000, to Korea Y.21,-895,000, and to Formosa Y.1,067,000, totaling Y.43,139,000.

Huai River Work to Be Started Immediately Soldier-Labor Offered

It is announced by the Huai River Conservancy Board in Nanking, that conservancy work on the Huai River will be started immediately. All preparations are ordered to be completed by the middle of the month, while the first survey party has already left. Resources at present in the hands of the Board for the work total $120,000 in cash and 10,000 tons of American wheat. Gen. Liang Kuan-ying, commander of the 25th Route Army stationed in Northern Kiangsu, has also offered 7,000 of his troops as soldier-labor. It is learned that in order to raise funds for the flood-prevention work on the Yangtsze, Huai, and, Yellow Rivers and the Grand Canal, Mr. Chuang Sung-fu vice-Chairman of the Huai River Conservancy Board. has petitioned the National Government to impose a 30 per cent increase on the Rolled Tobacco Tax. It is estimated that an additional annual income of about $60 million may thus be obtained.

"I Know what's Best for You!"

The Last Thing for Children.

The days of castor oil, senna, salts and other unpleasant purgatives, which are so harsh in their effect on a child's delicate internal membranes, are past. In millions of homes, Baby's Own Tablets are now relied upon for keeping the little ones free from constipation and its ill-effects.

Baby's Own Tablets are rapidly and yet gently effective for stomach and bowel troubles, for simple fever, colds and croup, and for babies' teething troubles.

Always keep them in the home

BABY'S OWN TABLETS

The PLEASANT-TASTING REMEDY FOR BABIES and CHILDREN

CONSTIPATION AND COLDS

It has been proved that there is a disease germ which causes colds, but it is only in a constipated person that the germs find conditions under which they can multiply in sufficient numbers to cause the sickness which we call a "cold."

Both to correct and prevent colds the intestines should be kept clear of any accumulation of waste matter. For this purpose there is nothing to equal Pinkettes, the dainty little all-vegetable laxative and liver pills.

Pinkettes, gentle and natural in their action, are non-griping and non-habit-forming. Everyone should take a dose occasionally as a safeguard against colds, stomach troubles, sick headches, bilious attack's, bad breath, pimply complexion and depression. All chemists and medicine dealers can supply you.

Central Bank Reserves Checked By Supervisors

The following announcement is made by the Supervisory Committee of the Central Bank of China at its 112th examination held on Dec. 31, last, of the reserves of the Bank held against note issue in circulation:

Total amount of dollar notes and Subsidiany Coin in Circulation:

Dollar Notes	$22,099,082.00
Subsidiary Coin Notes	2,674,267.00
	$24,773,349.00

Reserves against dollar notes and subsidiary coin notes in circulation:

Cash Reserve $18,395,349.00; (of the above sum $14,851,-368.45 is kept in Shanghai Office, the balance $1,968,829.00 is kept in Branches and Sub-branches, $1,575,151.55 is kept in Local Banks).

Securities Reserve $6,378,000.00; $24,773,349.00.

Total amount of customs gold unit notes in circulation:

C.G.U. Notes C.G.U. 250,000.00.

Reserves against customs gold unit notes in circulation:

G.$100,000.00 deposited with Local Bank @.40 C.G.U. 250,000.00.

According to Article 2 of the Bank's regulation governing note issue the Bank is required to keep Cash Reserve @ 60% and Securities Reserve @ 40% of the total issue. Finding the Cash Reserve to exceed 60% and the Securities reserve not over 40%, the Committee certifies that the reserves against notes in circulation is in order.

Hunan Highways Yield Monthly Revenue of $200,000, Seven Trunk Lines Completed

According to a special dispatch from Changsha in the *China Press* on Dec. 30 last, seven trunk highways totalling more than 2,100 Li in length have recently been constructed in Hunan province yielding a monthly revenue of $200,000 to the provincial treasury in the form of taxes on traffic on them, as a result of the persistent efforts of the authorities in highway construction throughout the province. The seven highways are:

1. The Hunan-Kwangtung highway. It starts from Changsha, passes through Siangtan, Hengshan, Hengyang, Fengyang and reaches Yunghsin. It covers a distance of more than 560 li.

2. The Hunan-Kweichow highway. It begins from Siangtan, passes through Siangshiu, Yungfeng, and reaches Taohuaping, covering a total distance of about 300 li.

8, The branch highway of Western Hupeh. Starting from Changsha, and passing through Ninghsiang, Yiehyang, it reaches Changteh as its final destination. The highway covers a distance of about 300 li.

4. The Hunan Kwangsi highway. This road is a short one, covering a distance of about 60 li between Hengchow and Chuenhu, the border of Kwangsi province.

5. The branch line of the Liuyang-Yucheng highway. It covers a distance of about 140 li between Lining and Yuhsien.

6. The branch line of the Changteh-Hungkiang highway. Covering only a distance of about 60 li, this line starts from Changteh and ends at Taoyuan.

7. The Eastern line between Hunan and Hupeh. It is a short road, extending not more than 11 li between Huanghuashi and Kaochiao.

All these highways have already been opened for traffic, and due to the estimated profit derived from the communication tax, renewed effort has been repeatedly shown by the local authorities in the way of improving and repairing the various roads.

In the meantime, four other branch highways connecting Hunan with the provinces of Kwangtung, Kwangsi, Hupeh and Kweichow are in their final stages of completion and will be open to traffic by the end of March.

For the purpose of providing better communication and transportation factliiites, for the passenger, a contract has been reached between the Hunan provincial authorities and the Peiping-Hankow Railway Administration for the joint traffic of train and motorbus services between Hankow and Changsha. It is expected that only two days will be needed for a highway trip from Hankow to Ichang, the border line between Hunan and Kwangtung.

Recently, steps have also been taken by the authorities to construct the section between the railway station and the highways station, in order to expedite the opening of the joint traffic between Hankow and Canton, Hankow and Changsha.

Tsingtao to Build Wharves for Exclusive Use of Coal Loading

In view of the importance of coal trade to the prosperity of Tsingtao, Admiral Shen Hung-lieh, the new Mayor of Tsingtao, has ordered the Municipal Bureaux of Harbor Affairs, Finance and Public Works to formulate plans jointly for the construction of wharves for the exclusive loading and unloading of coal. Tenders will be invited as soon as plans are completed. It is understood that funds for the work will be obtained from the collection of extra wharfage dues to be devoted specially for the purpose.

Japan Reduces Expenditure to Balance Receipts in New-Approved Budget

The new budget of the Japanese Government for the next fiscal year was approved at the Cabinet meeting on Jan. 11, according to a *Rengo* dispatch from Tokyo. The estimated sources of the Government's revenue for the year totalling Y.1,397,095,498 are as follows:

Ordinary Revenue	1,238,409,748
Extraordinary Rev.	158,685,750
Loans	123,529,818
Others	35,155,932

The Expenditure amounts to Y.1,397,095,498, namely Y.1,141,344,414 on the ordinary and Y.255,751,084 on the extraordinary account. Of the expenditures, the estimates for the War Office amount to Y.183,661,000 and for the Navy to Y.211,700,000.

As compared with the precening fiscal year's estimates, the revenue shows a decrease by Y.61,676,000 and the expenditures a decrease by Y.51,432,000.

The loans to be issued on both the ordinary and extraordinary accounts aggregate Y.191,070,000. The red figures which the Government has got to register in the Budget for the coming fiscal year aggregate Y.156,052,218 which will be covered as follows.

Telephone Enterprising Loan	17,510,000
Quake Bills Readjustment Loan	7,670,000
Road Loans	1,000,000
Wire Enterprising Loan	925,000
Red Figures Loan	96,424,751
Suspendinding Sinking Fund	30,522,400

The Government is going to construct seven new lines of railway in the course of the coming fiscal year for which the sum of Y.35,000,000 is estimated or 5,000,000 yen less than the estimates made by the preceding Cabinet for the same purpore.—*Rengo*

America Proposes to Lower Tariff Barriers

The House of Representatives at Washington January 9 passed the tariff bill introduced by the Democratic Tariff Committee. This bill authorizes the President to call an international economic conference to promote the lowering of international tariffs. This bill is the result of a steadily growing opinion that sooner or later some revision of tariffs in a downward direction is necessary to meet the commercial depression and help a trade revival.

密勒氏評論報
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電話四一八一二

A PLEA TO CHINESE POLITICAL LEADERS

(*Continued from page 207*)

interview with press representatives on Jan. 9 declared that he had no alternative but to resign himself, if the "big three" including Gen. Chiang Kai-shek, Wang Ching-wei and Hu Han-min, failed to go to Nanking to participate in government affairs.

With the whole of Manchuria now under the Japanese heel, our political leaders are still quarrelling among themselves and can not compose their differences. So long as this state of affairs continues, how can we expect any help from the friendly Powers? Now the United States is ready to give us an effective aid to get back our lost Manchuria from the Japanese hands, and it is up to our political leaders to do their utmost to set the house of China in order and make themselves worthy recipients of help.

Shanghai, Jan. 11, 1932.

Racial Animosities Flare Up in Hawaiian Islands

The whole of Oahu (Hawaii) island was placed under martial law January 11, troops being ordered to stand by in their barracks. This action was taken to forestall a threatened racial outbreak following the murder of one of the natives who were recently acquitted upon a charge of raping the wife of a young American naval officer.

It is alleged that when the courts failed to convict the native a number of Americans took the law into their own hands, kidnapped one of the men and shot him in a bathtub full of water where he bled to death.

Mrs. Fortescue, a well-known member of New York society, her son-in-law, Lieutenant Massie, and Private Lord of the United States Navy, are now detained aboard a United States warship in the harbor of Honolulu in connection with this murder. Mrs. Fortescue is the wife of Major Fortescue, the playwright and explorer and ex-aide-de-camp to the late President Roosevelt. It was her 19 year-old daughter, the wife of Lieutenant Massie, who was assaulted.

The case has brought turmoil throughout the Hawaiian islands. Since the court failed to convict the five natives who were broughtbefore it on the charge of rape the American naval officers complain that their wives are unsafe. The natives on their part have vowed vergeance for the murder of one of their own race at the hands of white people. Later information to hand was that the Americans involved in the affair would be tried in San Francisco.

Theodore Roosevelt Appointed Governor General of Philippines

Theodore Roosevelt, at present Governor of Porto Rico, has been appointed Governor General of the Philippine Islands, in succession to Dwight F. Davis, who has resigned. Mr. Roosevelt is expected to proceed to Manila in the near future.

Mr. Roosevelt, who is the son of former President Roosevelt, is now 44 years of age. He was in the Far East in 1928 and 1929 when he was leader of the Kelley-Roosevelt expedition which successfully sought the giant panda.

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New Books of Interest in the Far East

"The Perfect Traitor"

Joseph Fouché, The Portrait of a Politician, by Stefan Zweig; The Viking Press, New York City, 1930,237 pages.

"I have known only one really perfect traitor, Fouché!" This from one of the greatest men the world has ever seen, Napoleon Bonaparte.

Before going into any further revelations it is necessary to go into a few facts of the author's life. Stefan Zweig, a Viennese by birth and instinct, has exiled himself to a quiet hill near Salzburg where unmolested by the vulgar popularization of the modern manner of writing he has created a very original and revealing style. His two major aims being in the line of a biographical study of the builders of the world of which type this volume is one—and fiction, in the form of short novels. In the case of "Joseph Fouché" his choice of the main character shows extreme originality of thought and the ability to recognize importance in the face of years of obscurity and misapprehension.

Zweig justly adds the phrase "The Portrait of a Politician" to the title, for in the fundamental significance of it Joseph Fouché is, what one might term, the perfect politician, living for the sake of politics and indulging in politics for the sake of existence. The book is a written portrait of a man who with cold blooded indifference towards humanity, ideals of right and wrong and even personal glory and self-respect changes, without the merest hesitation from one policy to another, from one party to another and from one master to another simply to reach a position where he can have the satisfaction of knowing that he, Joseph Fouché, happens to be the man in control; as he states it, "Gambler in chief at the great roulette board of human destiny."

With the clamor and glory of the French Revolution as the setting for the stage we see Joseph Fouché, an unknown semi-priest rising by sheer perseverance in pursuing an underhand method of flattery and promises, to a seat at the mighty National Convention of France. When the cry of the oppressed poor is loudest he goes into the provinces as proconsul of the Republic and promptly outdoes all his colleagues in denouncing private property, freedom of individualism, aristocracy, money and the Church. This devout semi-priest pillages the Cathedrals, derobes the clergy and the altars, melting the sacred relics into lump gold to be sent to the Convention as evidence of his good work. At the call of "Down with the Aristocrats!" this insignificant teacher of metaphysics in an Oratorian school, goes to Lyons, a subdued rebel city, and massacres thousands of its citizens in the most gruesome manner. The guillotione is not fast enough for Fouché. He ties several scores of victims together and anihilates them by cannon. When, however, the people of France turn from such spectacles of orgy to moderation and the Convention headed by Robespierre calls the "Mitrailleur de Lyons" to acount, Joseph Fouché, working in the dark according to his code, not only clears himself but is the initiative force of the opposition which drives the Lion of The Republic, Robespierre, to the guillotine. with and before Robespierre go all of the other butchers of France, but the wily-Fouché remains. In the space of an hour the "Mitrailleur de Lyons", this glutton for the blood of traitors, this wrecker of churches and the extreme radical, turns into the moderate of moderates. So far his rise has been meteoric but too many people pass remarks about the Lyons massacres and too many unpleasant rumors have been going around and suddenly, citizen Fouché has vanished from the stage of the Revolution, He sinks into utter poverty and has to earn a miserable existence by petty, two-faced spying. This spying however at the end of three years comes in very profitable and we see him next as the all-powerful Minister of Police to Napoleon Bonaparte. With a wonderful mecharism of espionage the Minister of Police outspies all the other similar institutious including the Emperors, and personally controls and censors all information. Always working in obscurity and outwardly a weak, shaky and pale little man, Joseph Fouché, on a certain occasion goes so far as to assume, without warrant from Napoleon, the duties of the Minister of War and the Minister of Home Affairs and calls out the National Guard, all over the North-western provinces, against the British. Finally we see this fisherman's son, this hater of money, this terror of the Aristocrats, this insignificant spy and ex-clergyman as the Duke Of Otranto, the powerful milionaire aristocrat. The climax is reached when we learn the tremendous part that Fouché played in the fall of the man among men, Napoleon Bonoparte.

But, we say, how is it that we have not heard more of this Joseph Fouché, if he is such a great and remarkable man. Stephan Zweig, I expect, would rise up with indignation at this statement. He would say that I was not doing justice to the main idea of his book, but the story is so facinating, Mr. Zwieg, that I quite forgot to criticise. The author shows us that Fouché did not fight for glory but for control, that is why we never see him as the champion above the others. In addition to that Fouche's methods of fighting were such that in the most critical positions, when one of his many plans was working out, Fouché, the leader is nowhere to be seen. He planned his stroke with the preciseness of a mathematician, then with abounding energy went silently from one interview to another, dropping subtle remarks, connecting links, buying services, freely giving his word and promises, placing "thorns" everywhere so when the time comes everything is in readiness and in such perfect order that all Fouché. the chameleon, has to do is to wait with satisfaction the clockwork developments of his plan. This satisfaction of perfect results and the idea that in the whole world he was the only man that knew for sure that Joseph Fouché was the cause of it all, were his driving passions.

This book in addition to being a live portrait of the "Most remarkable politician the world has ever known" also brings forth such great personalities as Napoleon, Robespierre, Marat, Josephine, Talleyrand and Lafayette. To read it is to gain knowledge of a period of history very much like the one in progress in China, only quite a bit more intensified.

A. W. DRACHENFELS.

Typical British "Standpatters"

Looking Inwards, by Veronica and Paul King; Heath Cranton, Limited, London, 1931. 209 pages, with index.

The authors state in their preface that they were inspired to write their book by favorable notice given to a previous volume concerning American characteristics. This "Looking Inward", then, is a self-examination of British peculiarities by two Britons.

The writers, who are strongly of the opinion that the capitalistic system is best, have various conservative inhibitions and prove themselves a pair of "stand-patters" on many debatable questions. They take the attitude of the "anti" toward Bertrand Russell, Bernard Shaw, vaccination, birth-control, feminism, and prison reform. As to religion they feel Christian Science "is the most wholesomely hard-hearted and unsentimental of our modern gospels, forbidding self-pity and damping down enervating benevolences to others."

Throughout the book there are numerous references to the Far East where Mr. King was for some years in the Chinese Customs service. The criticisms of Dr. Legendre's "Modern Chinese Civilization" are upheld, and Bertrand Russell's lectures in China are deplored. While we hold no brief for Bertrand Russell and judge with them that "an acute sense of personal responsibility is not one of his virtues," we certainly do not agree with their praise of Dr. Legendre, whose views on the position and mentality of Chinese women appear to us as singularly erroneous and even ludicrous. The French writer has unique views on other Chinese people and attributes. But for these British writers to say that Bertrand Russell and his followers have done more to harm the future of China "than all the opium, cocaine and other dope have done in three centuries" shows the temper and knowledge of our authors. Where a hardful of literati or modern students know somewhat of Bertrand Russell millions of Chinese suffer because of these pernicious drugs.

As we might suppose, Labor receives only scorn in this book, and its attitude toward Eastern races is ridiculed and deplored. "Looking Inward" will please the old-fashioned and the ultra-conservative. It will only aggravate and amuse those who are trying to think through many modern problems. We would hate to think all Britons had the outlook, or the "inlook" of this book.

January 5, 1932. G. B. S.

Russia as Seem by an American Journalist

An Editor Looks at Russia, by Ray Long; Richard R. Smith, Inc., New York, 1931. 114 pages.

This is a short narrative in ten chapters, describing the visit of an American journalist to Russia in the autumn of 1930. Mr. Long went to Russia simply to observe the land and its resources, the people and their problems. He was neither pro nor anti-Soviet. He only wished to note the facts of reality.

He saw the Soviet bill-boards and posters everywhere, heard the radio loud-speakers shouting out the benefits of communism on every hand, found censorship and secret service guards, noted the lack of traffic problems and the presence of much discomfort, but left Russia stirred by the vastness of its struggle and the import of its changes. The most vital thing he discovered was that the Soviets have, in some way, inspired their citizens with hope, and have been able, at a time of the severest world-wide unemployment, to keep from having unemployed workers. Their common people, formerly living in discouraging conditions of want and rigor, are now given a better outlook and plenty of work. These benefits are, year by year, yielding them advantages hitherto unknown.

This situation is not without certain conditions which appear to Americans as contradictions of intent and purpose. However, Russians are all working, and with each season new benefits are gained.

The book is written in an easy style and can be read in a short time. It presents no statistics and is more like a friendly chat than a political or economic critique. Mr. Long closes his volume with a telling contrast. "I reached New York just before Christmas. A pretty gloomy Christmas, that of 1930. One night between Christmas and New Year I was making my way around Columbus Circle. There was a bread line, one of many in New York. It was as long as some of the waiting lines I had seen in Russia. There was one difference. Those in the line in New York were waiting for charity. Those in line in Russia were waiting to *buy*. That's a big difference. A difference which may warrant your serious consideration." G. B. S.

January 5, 1932.

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China and Japan Approve Personnel of International Manchurian Enquiry Committee

Both China and Japan have approved the membership of the League of Nations commission which is to come to China and Manchuria to investigate and report on conditions. All members of the League Council have been notified of the acceptance of the commission members by the two countries concerned and if the League members approve, as it is expected they will, the commission will be formally constituted and commence its duties. Present indications are that the commission will hold a preliminary meeting at Geneva and it is expected they will then travel to the Far East by way of America.

The membership of the commission is as follows:—United States, General Frank McCoy; Britain, Lord Lytton; France, General Claudel; Germany, Dr. Schnee; Italy, Count Aldo Brandini.

CUSTOMS NOTIFICATION

The public is hereby notified that in accordance with Government instructions, the export abroad of second quality wheat flour will be allowed for a period of one year, calculated from the 1st December, 1931.

Flour thus exported abroad is liable to export duty.

In order to avail themselves of this privilege Flour Mills are to register with the nearest Custom House the brands and qualities of all flour milled by them and to provide samples of each. They are in addition to mark, in Chinese and English, on the bags of all flour produced whether intended for home consumption or for export abroad, the quality of the flour contained therein.

H. O. Tong,
Superintendent of Customs.

CUSTOM HOUSE,
Shanghai. 9th January. 1932.

L. H. Lawford,
Commissioner of Customs.

Who's Who in China

Luther C. S. Li, Christain worker and editor; born at Sinhua, Hunan, March I, 1888; was graduated from the Government Law School in Yunnan and the Union Lutheran Theological Seminary in Hupeh; served as a judge in the High Court of Yunnan, 1910; chief-of-staff and commissary to the Revolutionary Army in Yunnan, 1912; principal of Taohwalun Middle School, Yiyang, Hunan; taught at the Lutheran Theological Seminary, Hupeh and the Customs College, Peiping; editor of *Lutheran Weekly* and of the *Shinning Light* published by the Christain Literature Society, 1918-28; now, one of the commentators on the new commentaries of the New Testament of the Christain Literature Society; assisted Dr. Donald MacGillivray in writing "New Commentaries on the Gospel of St. Mathews and St. John;" author of "The problems of the Home in Changing China," "The Essence of Christainity," "The Practical Life," "The Teaching of Christ," "Students' General Introduction to the New Testament," "Commentaries of Epistle of St. James and Galatians," and a collection of Essays of Chinese Literature and Criticism for Student: address: The Christain Literature Society, Museum Road, Shanghai.

李兆民字路德
Luther C. S. Li (Li Chao-min)

李兆民字路德，湖南新化人，生於一八八八年三月一日，雲南法政學堂畢業，湖北信義神院畢業，曾充雲南按察司署承審官，開廣國民軍少將參謀長兼軍需官，益陽中學校長信義神學院教授，信義報主筆，明燈報主筆，國立稅務專門學校教授，現充廣學會聖經註釋編輯，著有「實驗的人生」「中國過渡時代的家庭」「新約概論」「傳道法」「馬太福音新註釋」「約翰福音新註釋」「雅各書註釋」「迦拉太書註釋」「基督教義」「國文論集」

CUSTOMS NOTIFICATION

Wheat Flour.

With reference to Customs Notification of 9th January, 1932, stating that the exportation abroad of second quality wheat flour is to be allowed for a period of one year, as from 1st December, 1931, on payment of export duty, the public is hereby notified that the flour in question will be passed free of duty on production at the Custom House of Consolidated Taxpaid Certificates.

H. O. Tong,
Superintendent of Customs.
L. H. Lawford,
Commissioner of Customs.

CUSTOMS HOUSE,
Shanghai, 13th January, 1932.

Possibility of Fighting at Harbin Between Rival Generals

According to Japanese reports, there is a possibility of fighting breaking out very shortly near Harbin between the forces of General Yui, the head of the new Kirin Government, and those of General Din Chao, the officer commanding the troops in the Kirin area, who does not recognize the new Government. It is stated that meetings are being held daily at Fuchiatien in connection with the trouble that has arisen and that the adherents of General Din Chao are demanding that military operations should be immediately started against General Yui.

Japanese Routed by Bandits Near Mukden

A dispatch from Mukden January 12 gave details of a desperate action fought by a small body of Japanese troops near Hsinmintun when engaged by a horde of bandits declared to number about 5,000. The entire Japanese body was put out of action. The Japanese force consisted of a company of infantry and a section of engineers who were near Hsinmintun when the bandits attacked at nightfall. As a result of the action, four Japanese officers were killed, over 30 men were killed and all but 10 of the remaining men were wounded. The 10 extricated themselves and continued the action from the power station at Patachao. They defended it gallantly until the bandits were able to get near enough to blow it up. The station was wrecked. The towns of Hsinmintun, Tahushan and Chinchow were plunged into darkness. This, however, was not the end of the disaster for the Japanese. An armored train had been dispatched to the assistance of the desperately fighting remnants of the company and it was proceeding at considerable speed from Tahushan when, at a point near Hsinmintun, it ran off the track and turned over.

The Joys and Sorrows of Flood Relief

A fire last week swept through the flood refugee camp at Kiukiang with such rapidity and intensity that 16 of the 6,000 camp dwellers were caught unawares and were unable to make their escape. Their charred bodies were recovered later when the fire, which destroyed practically the whole camp, had burned itself out.

This new tragedy which descended upon the homeless victims of the recent flood has further intensified the difficulty with which the members of the National Flood Relief Commission are contending in the Kiukiang area. An urgent appeal for additional funds was sent to the Head Office in Shanghai in order to provide shelter, food and clothing for the thousands of victims of the second disaster. About 6,000 are without shelter.

It was revealed at Hankow, Jan. 9, that between December 26 and January 4 a further 30,000 tons of American wheat arrived in Hankow from Shanghai. Apart from a small portion earmarked for Hunan, the whole shipment is being distributed among the refugee camps in the Wuhan area. The camps at Wuchang and Hanyang are receiving first attention as they contain the most refugees, approximately 250,000 in number. The cold weather in central China recently has caused the death of a number of the refugees and an appeal has been made for funds for the purchase of suitable winter clothing.

American Sentenced for Trying to Steal Flood Relief Wheat

Eugene Joseph Hickey, an American citizen formerly in the employ of the China Transport and Storage Company, was sentenced at the U. S. Court for China, Jan. 12, to a year and a day at the McNeil Island penitentiary, State of Washington, for his part in an attempt to sell wheat destined for Hankow flood victims.

Hickey had turned state's evidence and had, since his arrest, materially assisted the authorities in restoring the wheat to its owners and in rounding up the ring-leader and other members of the gang responsible for the crime. According to the statement of United States Attorney George Sellett, Hickey had plotted with a German subject and three others to sidetrack wheat being unloaded from ocean steamers to river vessels and to dispose of same in Shanghai. Hickey's part in the plot, it was shown, was to give orders that a certain lighter containing 746 bags of wheat should be tied up at Lay Road Jetty on the night of December 7. This was accomplished and the wheat taken away from the wharf in trucks.

Men and Events

Chicago has been selected for the next U. S. Democratic convention, to be held on June 27.

Karl H. Von Wiegand, star Hearst news service man, departed from Shanghai during the week bound for India, where he will report on the situation.

Dr. W. W. Yen, the new Chinese Minister to the United States, presented his credentials to President Hoover at the White House in Washington January 7.

The Shanghai American Players will present "The Barrets of Wimpole Street", an English drama, in the Lyceum Theater, January 15, 16, 20, 21, 22 and 23.

Quo Tao-chi has been named as Chinese Minister to France. Mr. Quo was formerly the commissioner of foreign affairs for Kiangsu with offices in Shanghai.

Madame Sun Yat-sen, one of the founders and promoters of the National Central University, Canton, has been unanimously voted by students of said university as their president.

Hsu Chi-ching, who last week was appointed acting head of the Central Bank, has in the meantime also been appointed to act concurrently as the director of the Central Mint in Shanghai, in succession to Kwok Bew, deceased.

Dr. John C. H. Wu, well-known Chinese jurist and adviser to the Shanghai Municipal Council, has been mentioned for the appointment of president of the First Special District Court in the International Settlement, a post at present held by Yang Shao-shun.

Mr. Shigemitsu, the Japanese Minister, proceeded from Shanghai during the week to Tokyo, where he is consulting the new Foreign Minister, Mr. Yoshizawa, (who recently returned to Japan from Geneva) on the China policy of the new Japanese administration.

It is announced that Chen Kung-po, Minister of Industry, will shortly leave for Taiyuan in order to confer with General Yen Hsi-shan, particularly as regards the organization of the Political Council for the north-west and General Yen's return to the political arena.

Dr. Robert E. Lewis, honorary adviser to the Ministry of Foreign Affairs in Nanking, who was formerly one of the leading Y.M.C.A. workers in the United States, arrived in Shanghai from the United States during the week. Dr. Lewis was for many years general secretary of the Chinese Y.M.C.A. in Shanghai.

The San Peh Steamship Company's s.s. *Hsin Ninghsin*, while on a regular trip up the Yangtsze River went aground 15 miles west of Anking the night of Jan. 7. Thirty-seven passengers, who had embarked on the steamer at Anking, were robbed by bandits when they abandoned the ill-fated steamer, and travelled on a native junk the next morning for Anking.

An increase in the rates for taxation in the Foreign Municipality of Shanghai is foreshadowed in reports emanating from the Secretariat of the Municipality. The present rate is 14 per cent, it having been reduced about a year ago from 16 per cent. The 16 per cent rate will probably go into effect again during the latter half of the present year.

Roger S. Greene, C. L. Senn, H. C. Zenn and Dr. J. Leighton Stuart, who have been attending the meetings of the China Foundation for the Promotion of Education and Culture, have returned to Peiping. Mr. Greene is acting director of the Peking Union Medical College, Dr. Stuart is president of Yenching University, and Mr. Zenn is secretary of the China Foundation.

A general meeting of representatives of the Russian community of Shanghai is announced to take place at the Grand Salle de Fetes, French Municipal College, 11 Route Vallon, on Sunday, January 17, at 3 p.m. The aim is announced of forming a committee to draft regulations for a non-political and non-factional body to legally represent the Shanghai community of Russians.

After a strike lasting almost a week, all the China Merchants Steam Navigation Company sailings were resumed during the week following the mediation of the dispute between the management of the company and the crew by Tu Yueh-seng, Chinese councillor of the French Municipal Council and prominent resident of French Concession, and Yu Ya-ching, local shipping magnate. Following the assurances given by Mr. Tu of the accession by the management to the demand for a New Year bonus equal to one month's salary, all officers and crew returned to their boats, ready to resume work as soon as they receive their bonus from the company.

The
CHINESE NATION

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January 13, 1932.

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A Numerological Comparison of China and Japan

BY BLANCHE WATSON

EVERYTHING that has a name has a history—according to that ancient science, miscalled Numerology. It is a science of vibration which tells us that everything moves at a certain rate, its own, meaning every individual, the world as a whole, and, consequently, every part of the world. Shall we see what light this exact (but simple) science casts upon China and Japan, now engaged in a struggle which is attracting international attention.

First, says Numerology, the vowels of any name indicate the strongest motivation: the consonants show the Personality: and the entire mathematical content of the name points to the Ability and Activity. China's vowels—the inner urge total the ONE indicative of the individualism that is always associated with that country; while the inner urge of Japan, being the receptive TWO, must be the diplomat, the good mixer, the patient and persistent follower of the smallest details. These two countries—although expressing outwardly in similar fashion (so much so that foreigners are prone to confuse them) have entirely different sources of motivation,—as different as the figures "1" and "2" are different. Let the figures speak for themselves:*

China — Motivation	is . . . 1:	Japan —	is . . . 2
„ — Personality	is . . . 7:	„	is . . . 4
„ — Activity	is . . . 8:	„	is . . . 6

The outward manifestation of the two countries is expressed by the "8" for China, and the "6" for Japan,—similars (both even numbers and not far apart in value) making the two countries much alike exteriorly. They are differently constituted and differently motivated, therefore different in character and activity. That "8" gives China authority, balance, poise, hence, a strong sense of justice; culture and refinement, calmness and good judgment, all of which spells power and initiative. Japan, receptive because of the powerful urge of the "2", (but forging ahead toward leadership by reason of the initial "J" and the two "A" vowels) takes the ideas of the Western world and—with the adaptability of the "2" and the power of readjustment, inherent in the Activity of "6"—moulds them to her needs. For Japan is bound to express (press out) this "6" of readjustment, with all its difficulties, its expansion, in addition to the weakness that also belongs to it. China's adjustment, on the other hand is already being made, and she is in the process of a readjustment that promises well for the future.

Differently Constituted and Differently Motivated

The Personality vibration of any individual (person, place or thing) suggests the impression made by the peculiar vibratory forces that are constantly shaping its history. When one visits these two oriental *lands*, one gets an impression of two very different national entities. Numerologically speaking, China's Impression, that is to say her Personality, is represented by the Seven, Japan's by the Four. Aside from the fact that both these figures are forces of strength and inherent practicality, both carrying the lesson that "*every sacrifice of patience to speed, results in eventual crash*"—aside from these likenesses, the Four and the Seven point to very diverse trends. The industrious, working Four needs must aim toward perfection of form which connotes drastic changes; while the Seven has attained that perfection, therefore does not welcome changes,—can be leisurely, can be silent, can philosophize and meditate. The demands of the Four, to be energetic and industrious and to lay foundations, are diametrially opposed to those of the Seven,—the qualities of which are well set forth in the Biblical passage,—"And the Lord labored six days and rested on the seventh." The Four (Japan) is building: the Seven (China) has builded.

The initials of names denote unusually powerful vibrations, and are full of meaning for a numerologist. For instance, the "J"—the One—propels into the new field. It represents the pioneer,—it creates, refuses limitations, takes the initiative, strives for leadership. But the "C"—a Three—though desiring always new self-expression, is content to build upon the old foundations, to express *out of that which is within!*

*All numerological interpretations, herein, based upon data to be found in standard works.

Every word, again, has a keystone, and this is the strength—(or weakness) of whatever that word connotes,—quite as it is the strength or weakness of an arch in masonry. The keystone of the "arch" that is China is the all-powerful, developed, resourceful Nine—always, be it said, with the potential disintegration of number, ever constantly working toward the new, for the Nine finishes the scale of values and regularly gives way to the One of the new cycle,—a beginning on a higher octave, to put it in musical terms. The strength and weakness of Japan's keystone—the Seven—with its power of keen mental analysis, its fundamental wisdom, and its desire further to increase its store of useful knowledge and its inherent culture and refinement,—this strength and weakness is apparent in the Japan of today. The Seven has to learn that he who losses his life (materially) shall find it spiritually. The Seven finds its opportunity through what is *brought to it*, rather than through what it seeks for itself. Japan *must* learn, eventually, to regitser its Seven on its highest plane of manifestation One step toward this is the realization that her military clique is turning the country in the direction of Japan's weakness rather than its strength. True to her *best* self, she will be able—by reason of her fine mentality and her rectitude—to work out her destiny rightly and successfully. But,—it is only through honesty of purpose that she can do this, which means placing her "Seven" on the high ground of the spirit, expressing the faith, the caution and the patience that the keystone of its arch demands.

Written at Bermuda, November 27, 1931.

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NOTE BY THE EDITOR.—*The Review* gives space to the above as something representing an unusual point of view. What we would like to see numerologists tackle, however, is the fact that in their original languages China is written 中國, and Japan, 日本. Where are your numbers now?

Japanese Burn Down Chinese Newspaper Office at Tsingtao: Japanese Marines Landed

A score of Japanese armed with pistols, knives and clubs on the morning of Jan. 12. invaded the office of the *Ming Kuo Jih Pao*, at Tsingtao, the official organ of the Kuomintang in that city, attacked its staff members and then set fire to the premises. The Japanese at Tsingtao took exception to a sarcastic headline in the *Ming Kuo Jih Pao*, which, translated into English read: "Aspirations for independence of Korea revealed in the unsuccessful attempt to kill the Emperor of Japan." The Japanese after having used their knives and other weapons freely upon the employees of the paper set fire to the newspaper office. Having wreaked their vengeance, the Japanese fled in all directions before a large Chinese police force could arrive at the scene to make any arrests. The Japanese later landed several hundred Marines so as to maintain order.

The Chinese paper of the same name in Shanghai used an even stronger headline in reporting the unsuccessful attempt on the Mikado, insinuating that the bomb "unfortunately" exploded at another carriage. Japanese Consul General Murai has sent a strongly worded protest to Mayor Wu of Greater Shanghai concerning the matter.

Korean Makes Attempt on Life of Japanese Emperor

An attempt was made on the life of the Emperor of Japan as he was returning from the New Year's military review on the morning of January 8. A bomb was thrown by a Korean at the Imperial procession just as it was approaching the Cherry Gate entrance of the Palace. It burst behind the carriage following the Emperor's, but although the explosion created consternation and for a time considerable alarm, no one was hurt. The only sufferer was one of the horses which was slightly wounded. The assailant was arrested on the spot. He was later identified as a Korean named Rihosho, aged 32 years, who has been living under the Japanese name of Asayama. When searched at the police station another bomb was found in his pocket.

The Cabinet resigned as a result of the incident, but the Emperor ordered it to continue in office.

Shanghai Club Steward Shoots Wife, Commits Suicide

Sidney Shervington, British, aged 42, steward of the Shanghai Club, committed suicide on the night of January 13, at the quarters in the Club which he occupied with his wife, several years his junior, of American birth, after wounding her in both legs with pistol shots. Marital disputes are stated to have been the motive for the tragedy. Mrs. Shervington is in hospital and is expected to recover. She originally came to the Club as the housekeeper. This is the second tragedy in recent years affecting an employee of the Shanghai Club. On June 26, 1930, the then secretary, Charles W. Marshall, shot himself—accidentally, it was announced, while cleaning his revolver.

Strikers at Cotton Mill Put Two Japanese Policemen in Hospital

Two Japanese policemen are in the hospital and three Chinese are under arrest as the result of a clash between the police and the striking workers of the Japanese-owned Dong Shing cotton mills on the afternoon of January 13.

The clash occurred as a result of striking employees gathering at 181 Gordon Road, to treat with the management of the cotton mills. Over two hundred of the strikers had gathered at the gate of the plant. Ten of them went inside to negotiate with the management. The remainder waited outside blocking the traffic. Two Japanese and three Chinese policemen appeared and attempted to clear the road. The result was a cry from the crowd of "Down with the Japanese but leave the Chinese Police alone." There was a pile of bricks by the roadside and in a moment the Japanese policemen became the target of the bricks. The Dong Shing mills are located less than a hundred yeards from Pootoo Road police station and it was only a matter of several minutes until the entire force of the station reinforced by the Gordon Road station, were on the scene. On their arrival the three arrests were made. In each case police allege the culprits were caught red-handed. The Police experienced little difficulty in dispersing the crowd.

Two Billion Dollar Losses From 1931 Yangtsze Floods

Professor J. Lossing Buck, who directed a scientific study of losses in the flooded areas in China, reports that a total of 11,791 farm families and 2,366 villages in 248 localities in 90 hsiens (countries) were surveyed. The farm population affected is equivalent approximately to the entire farm population of the United States. Forty-five per cent of all farm buildings in the flooded area were destroyed. Forty per cent of all persons in the flooded area have been forced to migrate either to nearby high land or to other counties for the greater part of the winter season. The houses were flooded so as to be uninhabitable for an average of fifty-one days. The average maximum depth of water on fields was nine feet. The losses represent the following percents of winter inventory values; buildings, 45 per cent; livestock, 50 per cent; fuel, fodder and stored grains, which was more than usual in quantity because of harvests just made, 112 per cent, and farm equipment 61 per cent.

Latest New York Stock Exchange Quotations

Market: Easy — Business Done 1,400,000 Shares

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. Jan. 11	Tues. Jan. 12
23½	3¼	—	Adams Express	5½	4¾
182¾	63⅛	*6.00	Allied Chemical & Dye	69¾	68¼
42¾	10⅛	1.00	Allis Chalmers	12	12
129¾	55⅜	*4.00	American Can	61⅝	60⅝
51¾	6⅜	—	American & Foreign Power	7⅞	8¼
31½	3⅜	—	American & For. Power W.	4⅜	4½
58½	13⅝	.50	American Smelting	16	16¼
201¾	109¼	9.00	American Tel. & Tel.	118½	117
132¾	65½	*5.00	American Tobacco "B"	72½	72⅛
80¾	22	3.00	American Waterworks	29¾	29¼
43¼	9	—	Anaconda Copper	11¼	11¼
87⅞	13⅛	4.00	Baltimore & Ohio	18½	18⅜
70⅜	16⅞	2.00	Bethlehem Steel	20⅛	19⅞
76⅛	33⅞	*3.00	Borden Company	37⅝	37
30¾	9	1.00	Borg Warner	11	10⅜
45¾	11	1.25	Canadian Pacific Railway	13¾	15⅝
131½	32⅜	—	Case J. I.	34¾	34½
54⅛	14¼	3.00	Chesapeake Corp	18½	18¼
25¾	11¾	1.00	Chrysler	14⅜	14¼
20¾	5⅛	.30	Cities Service, Co.	6⅜	6⅜
45⅞	12	1.50	Columbia Gas & Electric	13¾	14
12	3⅛	.30	Commonwealth & Southern	4⅛	4⅛
2¾	⅜	—	" warr.	⅝	⅝
109⅝	56⅜	4.00	Consolidated Gas. of N. Y.	61½	60¾
12	5	—	Continental Oil	6¼	6⅜
86⅝	36¼	*3.00	Corn Products	44¼	43½
5⅞	1	—	Curtiss Wright Co.	1⅝	1⅞
78¾	42¾	1.00	Drug Incorporated	53	52
107	48⅜	4.00	Du Pont de Nemours	54¼	53¼
185¾	73⅞	5.00	Eastman Kodak	79¾	78½
61	9	6% S	Electric Bond & Share	11⅝	11⅝
38⅜	2½	—	Fox Film "A"	4½	4½
54⅝	22½	1.60	General Electric	24⅜	24¼
56	29	3.00	General Foods	35	34½
48	19⅝	3.00	General Motors	23⅜	22¾
84⅛	20½	5.00	General Railway Signal	25⅞	24⅞
38¾	9¼	—	Gillette	13	12⅞
42½	15	2.50	Gold Dust	18	18⅛
20⅞	3½	—	Goodrich Rubber	5⅛	5
52¾	13¾	1.00	Goodyear Tire & Rubber	16	15⅛
22⅝	5⅜	1.00	Granby	7¼	7
62½	15	4.00	International Cement	17	17¼
4	½	—	International Combu. Eng.	⅝	1
60½	22¼	2.50	International Harvester	25½	25
20⅛	7⅛	.20	International Nickel	8¼	8⅛
38¾	7	.60	International Tel. & Tel.	10	9½
80¾	15¾	3.00	Johns Manville	22¼	21¼
31½	9⅝	.50	Kennecott	12⅛	11¾
27¾	4¼	1.61	Kreuger & Toll	6½	6⅞
91¾	40	4.00	Liggett & Myers, "B"	51	49⅝
63½	24⅛	3.00	Loew's: Inc	29	28⅝
21⅞	10	1.20	Lorillard P. Co. (com.)	13⅝	13¼
19	3	—	Ludlum Steel	4	4
29¼	6¾	—	Montgomery Ward	9¼	9⅛
40⅞	14⅜	2.00	Nash Motors	17½	17⅜
14¾	5	.40	Nevada Consolidated Co.	6	5⅝
132¼	25⅝	—	New York Central	32½	31½
11	2½	—	North American Aviation	4	3¾
54⅞	29⅝	2.00	Pacific Gas & Electric	34⅝	34¼
11⅞	3⅞	.40	Packard Motors	5⅛	5
50⅛	6	10%S	Paramount—Publix Corp	10⅝	10⅝
64	16⅞	2.00	Pennsylvania Railroad	21	20¾
8½	1¾	.40	Pennroad Corporation	2⅞	2⅞
16⅝	4¼	—	Phillips Petroleum	5	5
96	50¼	3.40	Public Service of N. Jersey	55	53½
27½	4	—	Radio Corporation	7⅝	8
24½	¾	—	Radio-Keith Orpheum	6¼	6
54½	32⅝	3.00	Reynolds Tobacco "B"	36	36¼
63¼	30	2.50	Sears Roebuck	33	33
10¼	2⅞	—	Shell Union	3⅜	3½
23⅜	6⅞	—	Simmons Company	8½	8
26½	8¾	1.00	Socony-Vacuum Corp.	10	10
54½	28⅝	2.00	Southern California Edison	30	30
88¾	25⅝	3.50	Standard Gas & Electric	30	30
53½	26⅛	*1.00	Standard Oil of N. Jersey	28⅝	28¼
36¼	10½	2.00	Texas Corporation	12⅞	12¾
55¾	19⅝	3.00	Texas Gulf Sulphur	23⅝	23⅝
18	2⅛	—	Trans America	3¼	3¼
72	23⅜	2.60	Union Carbide & Carbon	31½	31⅜
205⅛	67	10.00	Union Pacific Railway	79¾	78
38⅞	10	—	United Aircraft & Transp't	11¾	12
31¼	7⅞	.75	United Corporation	9½	9⅜
37½	16	1.20	United Gas Improvement	19⅛	19
20⅜	2⅞	—	U.S. Rubber	4⅝	5¼
152⅜	36¼	4.00	U.S. Steel	42¼	41⅝
76¾	11¼	—	Vanadium	14¼	14⅛
20⅜	2¼	—	Warner Bros. Pictures	3⅞	4
107¾	20¼	2.50	Westinghouse E. & M.	25¼	25⅞
72⅝	36¾	2.40	Woolworth	40¾	41

*plus extras — Call Money 2½% 2½%

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Exchange Circular for the week ending Wednesday, 6th January, 1932.

Our market was open on Thursday 31st December, but closed on Friday until Tuesday 5th inst. for the New Year Holidays, consequently there is very little to report.

The London/New York Cross rate has varied between 3.39⅛ and 3.36½. The Yen Cross rate has declined from 35.25 to 35.12.

Silver:—On the 31st ult. opened at 20d. for spot and 20⅛d. forward, and U.S. $ 0.30¼, and closed today at 20 7/16d and U.S. $ 0.30½.

Only a very small business has taken place, markets being practically idle, with no special feature.

Exchange:—The official T/T rate on the 31st December was 1/11¼d, and raised on the 5th inst. to 1/11⅜d: today remains unchanged.

The market on the 31st ult. opened with sellers at 1/11 7/16d, U.S. $ 33¼ and Yen 107, and an occasional line at 1/11⅜d. was just possible until noon in the afternoon a slightly firmer tendency set in, and we quote at closing 1/11 5/16d, U.S. $ 33⅜ and Yen 106. Gold Bars opened at 682½ and finished up at 685.

On resuming business yestreday after the holidays were sellers at 1/11 3/16d, U.S. $ 33⅛ and Yen 106 but these rates were not maintained long, and fell away to 1/11 5/16d, U.S. $ 32⅞ and Yen 107. After a very quiet day we closed at 1/11 5/16d, U.S. $ 33 and Yen 106. Gold Bars opened at 676 50 and closed at 690.20.

Our Stocks of Silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 59.540,000 a decrease of Tls. 1,351,000
Chinese and Mexican Dollars $ 191,060,000 an increase of $ 870,000
Estimated value Tls. 197,103,000 as against Tls. 216.520.000 held at this time last year

†	Average rates for Dec.	Thursday Dec. 31	Friday Jan. 1	Saturday Jan. 2	Monday Jan. 4	Tuesday Jan. 5	Wed. Jan. 6
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T on London	1/11.055	1/11 5/16				1/11 5/16	1/11 5/16
D/Dfts ,,	—	1/11 5/16				1/11 5/16	1/11 5/16
4 m/s ,,	—	1/11 5/16				1/11 7/16	1/11 7/16
T/T on India	127,010	127				128½	128½
T/T on France	825,920	835				835	834
T/T on N.Y.	32,310	32 5/16				32 3/16	32 5/16
T/T on Demand		32 5/16				32 3/16	32 5/16
T/T on Hamburg R. M.		137½				138	138
T/T on H'kong	75.840	75 3/4				75 1/16	75 3/16
T/T on Japan	138 440	107½ nom.				107 nom.	107 nom.
T/T on Batavia	80.220	81½				81½	81¾
T/T on Straits	122.140	122				121	120½
Ck's buying rates							
4 m/s B/L. Cred. &D/A	2/0.430						
4m/s B/L D/P	877.560						
6m/s ,, B/L Cred&D/A	—						
4 m/s B/F Cred D/A or D/P							
4m/s N.Y.Lc.	34.197						
4m/s ,, Docs.	—						

HOLIDAY

†Based on Daily Official quotation higher rate taken on rising Market, lower when falling,	Dec. 31	Jan. 1	Jan. 2	Jan. 4	Jan. 5	Jan. 6
Bullion,						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence						
**New York Price of Bar Silver per oz. (Pure)	20				20 1/16	20 1/16
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	G.$ 30⅛				G.$ 30¼	G.$ 30¼
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch) ....Nominal	Tls. 635.00				Tls. 690.00	Tls. 694.00
Shanghai Mexican Dollars per $100	Tls. 112.00				Tls. 112.00	Tls. 112.00
Native Bank Rate of Interest (Call money)	Tls. 72.1⅞				Tls. 72.0¼	Tls. 72.0
*Closing Price in London for Previous day	2%				3%	2%
**Closing Price in New York for Previous day						

Bank of England rate of discount	6%	London on Paris	T/T 85.69
Bank of France rate of discount	2½%	New York on London	T/T 336¼
London open of Market rate of Dis.	3m. 5 5/16%	Bombay on London	T/T 1/6 3/32
,, ,,	4 ,, 5¼	Hongkong on London	T/T 1/5 5/8
,, ,,	6 ,, 5 7/16	Kobe on London	T/T 2/1¼

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

January 7, 1932.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	36	—
Argentine Government	6 % May 1, 1960	49	—
U. S. of Brazil	6½% Oct. 15, 1957	18	—
Canadian National Railway Co...	5 % Oct. 1, 1969	83½	6.12
Chile Government.. ..	6 % Sep. 1, 1961	13¼	—
Republic of Finland ..	6½% Sep. 1, 1956	54	—
Finnish Gtd. Municipalities "A"	6½% Oct. 1, 1954	49¾	—
German Central Bank for Agriculture	6 % Apr. 15, 1938	36	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	37	—
German General Electric (A.E.G.)	6 % May 1, 1948	25¼	—
Ilseder Steel Corp. ..	6 % Aug. 1, 1948	31	—
Kingdom of Italy	7 % Dec. 1, 1951	85½	8.52
Lautaro Nitrate Co., Ltd...	6 % July 1, 1954	11¼	—
City of Milan	6½% Apr. 1, 1952	68¼	10.13
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	15¼	—
Republic of Peru	6 % Oct. 1, 1961	7	—
Rhine Westphalia Electric Power Corp. ..	6 % Apr. 1, 1955	37	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	52	—
Saxon Public Works ..	6½% May 1, 1951	54⅛	—
American I.G. Chemical Corporation..	5½% May 1, 1949	62	10.20
Chicago, Milwaukee, St. Paul & Pacific ..	5 % Jan. 1, 2000	8	—
Chile Copper Co. . ..	5 % Jan. 1, 1957	49	—
Goodyear Tire & Rubber	5 % May 1, 1957	71¼	7.63
International Match Corporation..	5 % Jan. 15, 1941	34	—
The Mead Corp. w.w. ..	6 % May 1, 1945	50	—
National Steel Corp. ..	5 % Apr. 1, 1956	71	7.64
Japanese Government..	6½% Feb. 1, 1954	80½	8.47
Japanese Government..	5½% May 1, 1965	71	8.00

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	60½	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 %	1913/60	61	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	59	—
Chinese Government (Crisp Loan)	5 %	1912	40½	—
Shanghai-NankingRailway..	5 %	1904/08	39½	—
Shanghai - Hangchow-Ningpo Railway ..	5 %	1908/38	63½	—
Hukuang Railway.. ..	5 %	1911/1951	19	—
Tientsin-PukowRailway	5 %	1908/09	15	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

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Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mille—thousands;

HEIAN MARU, November 5.

(Agents: Nippon Yusen Kaisha.)

From U. S. of America.

Wheat	*Pls.*	28,500

BORGESTAD, November 5.

(Agents: Canadian Trading Co.)

From U. S. of America.

Timber, Softwood:		
Ordinary, Sawn...	*Sup.ft.*	3,482,129
Merchantable ...	,,	175,050

KUROHIME MARU, Nov. 7.

(Agents: Yamashita Kisen Kaisha.)

From U. S. of America.

Paper, Bond	*Pls.*	225
Wheat	,,	107,325
Timber, Softwood:		
Ordinary, Sawn ...	*Sup.ft.*	264,780
Merchantable ...	,,	68,317
Clear	,,	64,978

ATLANTA CITY, November 9.

(Agents: U. S. Steel Products Co.)

From U. S. of America.

Cotton, Raw	*Bls.* 17,600 *Pls.*	54,177
Iron and Steel, Ungalvanized:		
Sheets	*Pls.*	4,898
Tinned Plates, Plain...	,,	6,808
,, ,, Scrapes	,,	300
Iron and Steel, Galvanized:		
Sheets, Plain	,,	7,258
Steel, Bamboo	,,	1,676
Carbon Black	,,	211
Soda, Caustic	,,	1,006

PRESIDENT POLK, November 9.

(Agents: Robert Dollar Co.)

From U. S. of America.

Cotton, Raw *Bls.* 400	*Pls.*	1,448
,, Thread, other kinds	,,	150
Aluminium Sheets	,,	315
Canned Asparagus	,,	88
,, Fruits, Table	,,	13
Grapes, Fresh	,,	41
Leather, Cals, Coloured	,,	8
Milk, Evaporated	,,	74
Oranges, Fresh	,,	142
Paper Printing (Wood free)		81
Petrolatum	,,	231
Pitch	,,	620
Raisins	,,	47
Shrimps, Dried	,,	158
Wax, Paraffin	,,	1,696
Chocolate	*Lb.*	644
Bedsteads	*Pcs.*	54
Motor-cars	,,	14
Motor-truck Chassis	,,	12
Oil, Linseed	*Galls.*	225
,, Lubricating, Mineral	,,	434
Paints	,,	45
Varnishes	,,	30
Machinery	*GUnits*	6,298
Motor Cars, and Trucks, Parts of	,,	5,812

EMPRESS OF ASIA, Nov. 10.

Agents: Canadian Pacific S. S. Co., Ltd.

From U. S. of America.

Motorc-ars	*Pcs.*	5
Bacon	*Pls.*	45
Apples, Fresh	,,	23
Ink, Printing	,,	228
Wood Pulp, Chemical...	,,	101

KASAGI MARU, November 13.

(Agents: Nippon Yusen Kaisha.)

From U. S. of America.

Cotton, Raw:		
American...	*Bls.* 501 *Pls.*	1,729
Motor-cars	*Pcs.*	1

RABY CASTLE, November 13.

(Agents: Dodwell & Co.)

From U. S. of America.

Iron and Steel, Ungalvanized:		
Nails, Cut	*Pls.*	735
Tinned Plates, Plain...	,,	45
,, ,, Strips	,,	204
Indigo Paste, Artificial: 20 per cent. strength..	,,	2,000
Paper, Waxep	,,	71
Soda, Hydrosulphite of ..	,,	131
Sulphur Black	,,	961
Tobacco, Leaf	,,	11,430
Dyes, Aniline *Pkgs.* 369 *G. Units*		35,505

PRESIDENT LINCOLN, Nov. 14.

(Agents: Robert Dollar Co.)

From U. S. of America.

Cotton, Waterproof Cloth, Rubbered	*Yds.*	307
,, Raw *Bls.* ... 500	*Pls.*	1,700
Iron and Steel, Ungalvanized:		
Washers	*Pls.*	11
Zinc Plates	,,	53
Apples, Fresh	,,	87
Canned Asparagus	,,	33
,, Awabi	,,	233
Borax	,,	504
Butter	,,	6
Cheese	,,	4
Coffee	,,	6
Canned Fruits	,,	354
Fruits, Dried	,,	21
Glucose	,,	154
Grapes, Fresh	,,	130
Gum Arabic	,,	4
Ink, Printing	,,	14
Macaroni, in bulk	*Pls.*	86
Milk, Evaporated	,,	20
Newspapers, Old	,,	1,260
Oranges, Fresh	,,	22
Paints, Unclassed	,,	51
Prunei, Dried	,,	88
Rope, Hemp	,,	6
Shrimps, Dried	,,	348
Sugar, Dutch Standard No. 18 and over	,,	16
Sugar of Milk	,,	84
Sulphur Black	,,	108
Twine, Hemp	,,	3
Ultramarine	,,	4
Chocolate	*Lb.*	884
Bedsteads, Iron	*Pcs.*	16
Lemons, Fresh	,,	29,250
Machines, Knitting	,,	1
Motor-cars	,,	11
Rubber Tires, Pneumatic: For Motor-cars	,,	92
Rubber Inner Tubes: For Motor-cars & Trucks	,,	92
Backing Powder	*Doz.*	393
Canned Beans and Peas	,,	156
,, Salmon	,,	92
,, Goods, Unclassed	,,	125
Shoes	*Pairs*	928
Cigarettes	*Mille*	2,120
Paints:		
Enamels	*Galls.*	10
Varnishes	,,	100
Unclassed	,,	656
Infants' Foods	*G. Units*	4,595
Machinery & Parts of ...	,,	26,694
Motor-cars, Parts of	,,	2,129

HOYEISAN MARU, Nov 14.

(Agents: Mitsui Bussan Kaisha.)

From U. S. of America.

Timber, Ordinary, Sawn, Softwood	*Sup.ft.*	618,319

VERNON CITY, November 16.

(Agents: Dodwell & Co.)

From U. S. of America.

Wheat	*Pls.*	124,125

DRYDEN, November 16.

(Agents: Lloyd Everett, Incorporated)

From U. S. of America.

Cotton, Raw...	*Bls.* 2,275 *Pls.*	8,382
Iron and Steel, Galvanized:		
Sheets, Plain	,,	367
Carbon Black	,,	492
Oil, Lubricating, Mineral	*Galls.*	7,982

AJAX, November 17.

(Agents: Butterfield & Swire)

From U. S. of America.

Cotton, Raw	*Bls.* 2,760 *Pls.*	9,701
Iron and Steel, Ungalvanized:		
Pipes	*Pls.*	88
Iron and Steel, Galvanized:		
Wire Rope	,,	122
Grease, Lubricating, Mineral	,,	30
Gum Resin	,,	5,120
Tobacco, Leaf	,,	6,309
Rubber Inner Tubes:		
For Motor Cars & Trucks	*Pcs.*	5
Rubber Tires, Pneumatic:		
For Motor Cars & Trucks	,,	60
Oil, Lubricating, Mineral	*Galls.*	11,857

IWATESAN MARU, Nov. 17.

(Agents: Moller & Co.)

From U. S. of America.

Wheat	*Pls.*	124,830

PRESIDENT TAFT, Nov. 17.

(Agents: Robert Dollar Co.)

From U. S. of America.

Hay	*Pls.*	84
Hand-bags	*Pcs.*	600

PRESIDENT JEFFERSON, November 18.

(Agents: Robert Dollar Co.)

From U. S. of America.

Iron and Steel, Ungalvanized:		
Tinned Plates, Plain...	*Pls.*	840
Apples, Fresh	,,	2,583
Flour, Wheat	,,	1,121
Milk, Condensed	,,	540
Paper, Bond	,,	263
,, Common, Newsprint	,,	1,166
,, Writing	,,	15
Potatoes, Fresh	,,	40
Wood Pulp, Chemical ...	,,	1,320
Baking Powder	*Doz.*	100
Timber: Laths	*Pcs.*	75,900
Motor-trucks,	,,	10
Motor-cars	,,	4
Rubber Tires, Pneumatic: For Motor Cars and Trucks	,,	103

ASAMA MARU, November 18.

(Agents: Nippon Yusen Kaisha.)

From U. S. of America

Cotton, Raw:		
American ...	*Bls.* 700 *Pls.*	2,450

TAIPING, November 19.

(Agents: Dodwell & Co.)

From U. S. of America.

Iron and Steel, Ungalvanized:		
Tinned Plates, Plain...	*Pls.*	120
Others	,,	226
Cotton, Raw:		
American ...	*Bls.* 100 ,,	350
Leather, Sole	,,	4
Tobacco, Leaf	,,	12,066
Oil, Lubricating, Mineral	*Galls.*	1,321
Motor Passenger Cars	*Pcs.*	52
Motor-cars Parts of	*G. Units*	1,590

ILLINOIS, November 19.

(Agents: States S. S. Co.)

From U. S. of America.

Timber, Softwood:		
Ordinary, Sawn...	*Sup.ft.*	1,605,110
Merchantable ...	,,	170,663
Soda Ash	*Pls.*	4,509
,, Caustic	,,	3,223
Cement	,,	830

DANWOOD, November 20.

(Agents: Canadian Trading Co.)

From U. S. of America.

Timber, Softwood:		
Merchantable ...	*Sup.ft.*	290,325
Ordinary, Sawn...	,,	866,027

CALIFORNIA, November 20.

(Agents: States S. S. Co.)

From U. S. of America.

Flour, Wheat	*Pls.*	1,286
Paper, Common, Newsprint	,,	4,515
Motor-cars, Used	*Pcs.*	1
Timber, Hardwood:		
Round Logs	*Sup.ft.*	116,275

EMPRESS OF ASIA, Nov. 21.

(Agents: Canadian Pacific S. S. Co. Ltd.)

To U. S. of America.

Tea, Green:		
Scented, Foochow	*Pls.*	15
Hyson, Hangchow ...	,,	190
Young Hyson, Hangchow	,,	153
Gunpowder, Hangchow	,,	17
,, Ningpo ...	,,	105
Silk, Raw, Steam Filature:		
White, Shanghai	*Bls.* 50 ,,	50.23
Silk, Raw, Reeled from Doupions:		
Shanghai	*Bls.* 10 ,,	10.14
Silk, Waste:		
Shanghai	*Bls.* 75 ,,	252.29
Silk Pongees, Manchurian	,,	2.31
,, Piece Goods	,,	5.56

RYOYO MARU November 21.

(Agents: Showa Shipping Co.)

From U. S. of America.

Cotton, Raw ...	*Bls.* 100 *Pls.*	376
Iron and Steel, Ungalvanized:		
Old or Scrap	*Pls.*	136
Iron and Steel, Galvanized:		
Wire Rope, Old	,,	146
Ink, Printing	,,	49
Paper, Bond	,,	324
Wheat	,,	45,300

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